

1997, by the President pro tempore [Mr. THURMOND].

MESSAGES FROM THE HOUSE

At 3:59 p.m. a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2516. An act to extend the Intermodal Surface Transportation Efficiency Act of 1991 through March 31, 1998.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1198. An act to amend the Immigration and Nationality Act to provide permanent authority for entry into the United States of certain religious workers.

MEASURE PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 2516. An act to extend the Intermodal Surface Transportation Efficiency Act of 1991 through March 31, 1998.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, with amendments:

S. 1173. A bill to authorize funds for construction of highways, for highway safety programs, and for mass transit programs, and for other purposes (Rept. No. 105-95).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KERREY:

S. 1242. A bill to amend the Internal Revenue Code of 1986 to allow the nonrefundable personal credits, the standard deduction, and the deduction for personal exemptions in determining alternative minimum tax liability; to the Committee on Finance.

S. 1243. A bill to amend title 23, United States Code, to enhance safety on 2-lane rural highways; to the Committee on Environment and Public Works.

By Mr. GRASSLEY (for himself and Mr. SESSIONS):

S. 1244. A bill to amend title 11, United States Code, to protect certain charitable contributions, and for other purposes; to the Committee on the Judiciary.

By Mr. BROWNBACK:

S. 1245. A bill to establish procedures to ensure a balanced Federal budget by fiscal year 2002 and to create a tax cut reserve fund to protect revenues generated by economic growth; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, as modified by the order of April 11, 1986, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. SANTORUM:

S. 1246. A bill to reform the financing of Federal elections; to the Committee on Rules and Administration.

By Mr. JEFFORDS (for himself, Mr. CONRAD, Ms. COLLINS, Mr. MURKOWSKI, Mr. REID, and Mr. AKAKA):

S. 1247. A bill to amend title 38, United States Code, to limit the amount of recoupment from veterans' disability compensation that is required in the case of veterans who have received special separation benefits from the Department of Defense; to the Committee on Veterans Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ABRAHAM (for himself and Mr. LEVIN):

S. Res. 129. A resolution referring S. 1168 entitled "A bill for the relief of Retired Sergeant First Class James D. Beniot, Wan Sook Beniot, and the estate of David Beniot, and for other purposes," to the chief judge of the United States Court of Federal Claims for a report on bill; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERREY:

S. 1242. A bill to amend the Internal Revenue Code of 1986 to allow the nonrefundable personal credits, the standard deduction, and the deduction for personal exemptions in determining alternative minimum tax liability; to the Committee on Finance.

ALTERNATIVE MINIMUM TAX LIABILITY LEGISLATION

Mr. KERREY. Mr. President, I am introducing legislation today to ensure that families are not denied the tax relief we promised them under the Taxpayer Relief Act of 1997.

What we promised under the Taxpayer Relief Act was a child credit to help families raise their kids and an education credit to help make higher education more affordable. As it turns out, the reality may be far different. What we may be doing is throwing middle-class families into the alternative minimum tax [AMT] simply because they take advantage of the new child and education credits. This will happen because under current law, individuals pay the greater of their regular tax owed minus nonrefundable tax credits or the AMT which cannot be reduced by these nonrefundable credits.

Under current law, the child credit and the education credit won't be allowed under the AMT. As a result, average-sized families with children are more likely to be thrown into the AMT simply by using these credits. Believe me, this is not the place we want to be sending them.

The bill I am introducing today is identical to one that was introduced last week by Congresswoman KENNELLY of Connecticut. By her calculations, in 2002, a full 2 million families will be in the AMT because of the family credit alone. For illustrative purposes, I will give you just one example of the kinds of people who will get

hurt: A two-parent family with a gross income of \$67,700 and three children, including one in college, would fall into the AMT and lose nearly \$1,500 of the \$2,500 in combined child and education credits that we promised them.

The legislation I am introducing today is simple. It would allow taxpayers to take the nonrefundable personal credits—the dependent care credit, the child credit, and the education credit under the AMT. It would also make the standard deduction and the personal exemptions deductible under the AMT.

As Congresswoman KENNELLY has noted, "The AMT was meant to ensure that sophisticated taxpayers couldn't zero out their taxes. It was never intended that your children would throw you into the AMT." We need to deliver on the family tax relief promises we made in the Taxpayer Relief Act. I urge my colleagues to join me in support of this legislation.

By Mr. KERREY:

S. 1243. A bill to amend title 23, United States Code, to enhance safety on two-lane rural highways; to the Committee on Environment and Public Works.

THE RURAL HIGHWAY SAFETY ACT

Mr. KERREY. Mr. President, I recently introduced the Highway Safety Priority Act which proposed to make safety a primary consideration in highway investments.

Traffic accidents are part of a national health epidemic responsible for the loss of 1.2 million preretirement years of life a year; more than is lost to cancer or heart disease. It is the leading cause of death for Americans between the ages of 15 and 24. Last year, more than 41,900 Americans died from this epidemic and more than 3 million suffered serious injury. In Nebraska traffic accidents claimed 293 lives in 1996 up from 254 the year before. Most tragic, is the fact that this epidemic is almost 100 percent preventable.

To address this problem, the Congress must focus resources where they will do the most good. Throughout America there are two lane, two way roads which expose drivers to an unacceptably high level of risk. These high risk "killer roads" suffer from poor engineering, poor pavement, narrow shoulders and increasing levels of traffic. Because these roads are often in rural areas, feeding into the larger arteries, they are frequently overlooked by State and local roads departments in favor of the larger more modern and inherently safe portions of the National Highway System.

If we are to be serious about reducing death and accidents on America's roads, we need to pay greater attention to the roads which feed into the National Highway System. The Lincoln Journal Star reported in May that 70 percent of all Nebraska accidents occur on rural roads.

Today, I introduce legislation which proposes an aggressive efforts to make

killer roads safer. This legislation, like the Highway Safety Priority Act was prepared with significant assistance of Dr. Jerry Donaldson, of Advocates for Highway Safety. Dr. Donaldson is one of the Nation's pre-eminent highway safety experts.

As the Senate prepares to consider the new highway bill, I urge my colleagues to consider and support the Rural Road Safety Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the ordered to be printed in the RECORD, as follows:

S. 1243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Highway Safety Act".

SEC. 2. RURAL 2-LANE HIGHWAY SAFETY PROGRAM.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following:

"§ 162. Rural 2-lane highway safety program

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall establish a 2-lane rural highway safety program (referred to in this section as the 'program') to ensure the systematic reconstruction of rural 2-lane arterial and collector highways of substantial length that are not on the National Highway System.

"(2) PRINCIPLES.—Reconstruction under the program shall be carried out in accordance with state-of-the-art principles of—

"(A) safe alignment and cross-section design;

"(B) safe roadside conditions;

"(C) safety appurtenances;

"(D) durable and safe pavement design (especially long-term skid resistance);

"(E) grade crossing safety; and

"(F) traffic engineering.

"(3) COOPERATION WITH STATES AND PRIVATE SECTOR.—The Secretary shall carry out the program in cooperation with State highway departments and private sector experts in highway safety design, including experts in highway safety policy.

"(b) APPORTIONMENT.—For each fiscal year, the Secretary shall apportion—

"(1) 50 percent of the amount made available under subsection (e) to the States in the ratio that—

"(A) the number of miles in the State of rural 2-lane arterial and collector surface roads that are not on the National Highway System; bears to

"(B) the number of miles in all States of rural 2-lane arterial and collector surface roads that are not on the National Highway System; and

"(2) 50 percent of the amount made available under subsection (e) to the States in the ratio that—

"(A) the percentage of the population of the State that resides in rural areas; bears to

"(B) the percentage of the population of all States that resides in rural areas.

"(c) SELECTION OF PROJECTS.—

"(1) IN GENERAL.—The States shall select projects to receive funding under the program based on—

"(A) criteria established in cooperation with the Secretary and other persons that give priority to highways associated with persistently high rates of fatal and non-fatal injuries due to accidents; and

"(B) to the maximum extent practicable, value engineering and life-cycle cost analysis.

"(2) COMPATIBILITY WITH MANAGEMENT SYSTEMS.—To the extent that a State selects projects in accordance with a functioning safety, pavement, bridge, or work zone management system, projects selected under the program shall be compatible with each management system.

"(3) STATEWIDE TRANSPORTATION PLANNING.—The selection of projects by a State under the program shall be carried out in a manner consistent with the statewide transportation planning of the State under section 135.

"(d) REPORT TO CONGRESS.—

"(1) IN GENERAL.—Not later than December 31, 2003, the Secretary shall submit a report to Congress on the results of the program.

"(2) CONTENTS.—The report shall include—

"(A) detailed travel and accident data by class of vehicle and roadway; and

"(B) an evaluation of the extent to which specific safety design features and accident countermeasures have resulted in lower accident rates, including reduced severity of injuries.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$150,000,000 for fiscal year 1998, \$125,000,000 for fiscal year 1999, \$125,000,000 for fiscal year 2000, \$100,000,000 for fiscal year 2001, \$100,000,000 for fiscal year 2002, and \$100,000,000 for fiscal year 2003."

"(b) CONFORMING AMENDMENT.—The analysis for chapter 1 of title 23, United States Code, is amended by adding at the end the following:

"162. Rural 2-lane highway safety program."

By Mr. GRASSLEY (for himself and Mr. SESSIONS): S. 1244. A bill to amend title 11, United States Code, to protect certain charitable contributions, and for other purposes; to the Committee on the Judiciary.

THE RELIGIOUS LIBERTY AND CHARITABLE DONATIONS PROTECTION ACT

Mr. GRASSLEY. Mr. President, I rise today to introduce the Religious Liberty and Charitable Donations Protection Acts. This bill represents a giant step forward in protecting the religious freedom of many Americans who tithe. In the House of Representatives, Congressman RON PACKARD will today introduce a companion measure. I ask consent that the bill be printed in the RECORD following my remarks.

As my colleagues may know, bankruptcy judges across the country have been ordering churches to refund large sums of money when a parishioner declares bankruptcy. This causes serious hardship to churches and is a frontal assault on religious freedom of worship. After the Supreme Court's recent decision striking the Religious Freedom Restoration Act [RFRA] down as unconstitutional, I believe that Congress has a responsibility to act now to protect religious freedom. Because I chair the Subcommittee on Administrative Oversight and the Courts—which has primary jurisdiction over bankruptcy—I have an obligation to respond to this renewed threat to religious liberty.

Of course, there are other areas where Congress needs to protect religious freedom, and I look forward to assisting Chairman HATCH—who is a strong leader in protecting religious liberty—in these efforts.

But in the context of tithing and bankruptcy, I feel the time to act is now. The Supreme Court just vacated and remanded a case from the Eighth Circuit Court of Appeals which had ruled that RFRA protected churches from bankruptcy lawsuits seeking the return of money given as a tithe. This is a particular concern to me, since my home State of Iowa is in the eighth circuit and will be affected by this court case. The pastor of the church involved in this case, Pastor Steven Goold of the Crystal Free Evangelical Church, testified before my subcommittee as to the difficulties his church has faced in trying to protect itself from bankruptcy judges, including the huge legal costs associated with fighting the bankruptcy judge's ruling. Pastor Goold supports this legislation, as does Americans United for Separation of Church and State. So, the bill has broad support from many diverse sectors of our society.

In addition to preventing Federal judges from ordering churches to pay refunds of previous tithes, the legislation I'm introducing today will protect postbankruptcy tithing in chapter 13 cases. As currently interpreted, chapter 13, which permits debtors to repay their creditors at a discounted rate, also allows debtors to budget a moderate amount of money for entertainment expenses. But, several courts have said that debtors can't budget money to tithe to their church. In other words, if you're in chapter 13 bankruptcy, you can budget money for a hamburger and a movie, but you can't take that same money and give it to your church—even if you believe your faith requires that.

This is an obvious assault on the freedom of religion. Would our founding fathers have wanted a Federal judge to tell a citizen that he's not allowed to tithe to his church? Obviously not. Such a situation is antithetical to the American tradition of liberty and separation of church from State.

As a result of my hearing, I have made several minor changes to accommodate various concerns that have been raised about possible unintended consequences. I hope that the legislation as now drafted will receive the support of every Member of Congress who is concerned about protecting freedom generally and restoring freedom of religion—our first freedom—to its rightful place in American society.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Religious Liberty and Charitable Donation Protection Act of 1997".

SEC. 2. DEFINITIONS.

Section 548(d) of title 11, United States Code, is amended by adding at the end the following:

"(3) In this section, the term 'charitable contribution' means a charitable contribution, as that term is defined in section 170(c) of the Internal Revenue Code of 1986, if that contribution—

"(A) is made by a natural person; and

"(B) consists of—

"(i) a financial instrument (as that term is defined in section 731(c)(2)(C) of the Internal Revenue Code of 1986); or

"(ii) cash.

"(4) In this section, the term 'qualified religious or charitable entity or organization' means—

"(A) an entity described in section 170(c)(1) of the Internal Revenue Code of 1986; or

"(B) an entity or organization described in section 170(c)(2) of the Internal Revenue Code of 1986."

SEC. 3. TREATMENT OF PRE-PETITION QUALIFIED CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Section 548(a) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking "(1) made" and inserting "(A) made";

(3) by striking "(2)(A)" and inserting "(B)(i);

(4) by striking "(B)(i)" and inserting "(ii)(1)";

(5) by striking "(ii) was" and inserting "(1) was";

(6) by striking "(iii)" and inserting "(III)"; and

(7) by adding at the end the following:

"(2) A transfer of a charitable contribution to a qualified religious or charitable entity or organization shall not be considered to be a transfer covered under paragraph (1)(B) in any case in which—

"(A) the amount of that contribution does not exceed 15 percent of the gross annual income of the debtor for the year in which the transfer of the contribution is made; or

"(B) the contribution made by a debtor exceeded the percentage amount of gross annual income specified in subparagraph (A), if the transfer was consistent with the practices of the debtor in making charitable contributions."

(b) TRUSTEE AS LIEN CREDITOR AND AS SUCCESSOR TO CERTAIN CREDITORS AND PURCHASERS.—Section 544(b) of title 11, United States Code, is amended—

(1) by striking "(b) The trustee" and inserting "(b)(1) Except as provided in paragraph (2), the trustee"; and

(2) by adding at the end the following:

"(2) Paragraph (1) shall not apply to a transfer of a charitable contribution (as that term is defined in section 548(d)(3)) that is not covered under section 548(a)(1)(B), by reason of section 548(a)(2)."

(c) CONFORMING AMENDMENTS.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (e)—

(A) by striking "548(a)(2)" and inserting "548(a)(1)(B)"; and

(B) by striking "548(a)(1)" and inserting "548(a)(1)(A)";

(2) in subsection (f)—

(A) by striking "548(a)(2)" and inserting "548(a)(1)(B)"; and

(B) by striking "548(a)(1)" and inserting "548(a)(1)(A)"; and

(3) in subsection (g)—

(A) by striking "section 548(a)(1)" each place it appears and inserting "section 548(a)(1)(A)"; and

(b) by striking "548(a)(2)" and inserting "548(a)(1)(B)".

SEC. 4. TREATMENT OF POST-PETITION CHARITABLE CONTRIBUTIONS.

(a) CONFIRMATION OF PLAN.—Section 1325(b)(2)(A) of title 11, United States Code,

is amended by inserting before the semicolon the following: ", including charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3)) to a qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4)) in an amount not to exceed 15 percent of the gross income of the debtor for the year in which the contributions are made".

(b) DISMISSAL.—Section 707(b) of title 11, United States Code, is amended by adding at the end the following: "In making a determination whether to dismiss a case under this section, the court may not take into consideration whether a debtor has made, or continues to make, charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3)) to any qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4))."

SEC. 5. APPLICABILITY.

This Act and the amendments made by this Act shall apply to any case brought under an applicable provision of title 11, United States Code, that is pending or commenced on or after the date of enactment of this Act.

SEC. 6. RULE OF CONSTRUCTION.

Nothing in the amendments made by this Act is intended to limit the applicability of the Religious Freedom Restoration Act of 1993 (42 U.S.C. 2002bb et seq.).

By Mr. JEFFORDS (for himself,
Mr. CONRAD, Ms. COLLINS, Mr.
MURKOWSKI, Mr. REID and Mr.
AKAKA):

S. 1247. A bill to amend title 38, United States Code, to limit the amount of recoupment from veterans' disability compensation that is required in the case of veterans who have received special separation benefits from the Department of Defense; to the Committee on Veterans' Affairs.

**THE SPECIAL SEPARATION BENEFITS
IMPROVEMENT ACT OF 1997**

Mr. JEFFORDS. Mr. President, today I rise to introduce the Special Separation Benefits [SSB] Improvement Act of 1997. This legislation would address the unfair provision that double-taxes veterans who participate in the special separation benefits downsizing program run by the Department of Defense [DOD].

Since 1991, in an effort by the DOD to downsize the armed services, certain military personnel have been eligible for a special separation benefit [SSB]. However, since the inception of this program recipients who are subsequently determined to have a service-connected disability must offset the full SSB amount paid to that individual through the withholding of disability compensation by the Department of Veterans Affairs [VA]. Because of these cost cutting provisions, veterans who participate in the DOD's downsizing by selecting an SSB lump sum payment are forced to pay back the full, pre-tax amount in disability compensation—offsetting money that the disabled veteran would never see. This is a gross injustice to veterans by double taxing their hard earned benefits.

My bill would ease this double taxation for all members who accept an

SSB package, and make these alterations retroactive to December 5, 1991. Thus, service members not able to receive payment concurrently since 1991 will be reimbursed for their lost compensation portion that was taxed. The near-term costs of this bill were estimated by the Congressional Budget Office to be less than \$500,000 through the year 2000 and about \$2 million in 2002—barely a fraction of a percentage of our annual spending on compensation and benefits for former military personnel.

Mr. President, I urge my colleagues to join me in correcting the double-taxing of veterans' benefits by the Government.

Mr. MURKOWSKI. Mr. President, I rise today as an original cosponsor to the Special Separation Benefits [SSB] Improvement Act of 1997. Offered by my colleague on the Senate Committee on Veterans' Affairs—Senator JEFFORDS, this legislation will correct a current injustice where service-connected disabled veterans, who participate in the special separation benefits program [SSB], are wrongly doubled taxed on their benefits.

In 1991, the Department of Defense [DOD], in an effort to downsize the armed services, established the SSB, which gives military personnel a lump sum payment to retire. However, for those veterans who are subsequently determined to have a service-connected disability, their SSB benefit amount is offset by withholding the veteran's disability compensation from the VA. A veteran only receives the SSB benefits after taxes are withheld. At the same time, disability compensation is not taxed. The injustice is that the veteran must repay with his or her disability compensation the pre-tax amount of the SSB payment—in effect double taxing the veteran's benefits.

The Special Separation Benefits [SSB] Improvement Act of 1997 eases the double taxation for all members who participated in the SSB program retroactively to December 5, 1991. These servicemembers will receive payment for their lost compensation portion that was taxed. According to the Congress Budget Office [CBO], the near term costs are estimated to be less than \$500,000 through the year 2000. For this small amount, Congress has the opportunity to correct an injustice against our veterans who have given so much.

I hope that my colleagues can join me in cosponsoring this legislation.

ADDITIONAL COSPONSORS

S. 219

At the request of Mr. DASCHLE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 219, a bill to amend the Trade Act of 1974 to establish procedures for identifying countries that deny market access for value-added agricultural products of the United States.