

come from pushing seniors and persons with disabilities into HMOs and increasing costs to those who want to stay in traditional Medicare.

Under this plan, Medicare beneficiaries who wish to remain with their own doctors would pay higher premiums (as much as \$1200 a year). Many seniors, who already pay more than 20% of their income for health care, would face even greater cost-sharing when they need home health and other services. And despite the problems older persons face in finding affordable insurance, the proposal would shut 65 and 66 year olds out of Medicare.

Members of the Medicare Commission who supported the Breaux-Thomas plan seem to have faith in a managed care industry that cuts corners on care, reduces benefits, and threatens to pull out of Medicare altogether unless participants pay significantly higher premiums. Those of us who oppose turning Medicare over to the HMOs respectfully disagree. Privatizing Medicare and handing over the medical well-being of millions of senior citizens to for-profit managed care corporations is not what President Lyndon Baines Johnson and Congress envisioned back in 1965. HMOs are not the answer. They are the problem.

As a member of the Democratic Task Force on Medicare, I join with many of my colleagues and experts in the field of health care to support the President's proposal to use 15 percent of the budget surplus to shore up Medicare. This will ensure the program's solvency until the year 2027. We also believe that Medicare is in need of improvement and that seniors deserve increased benefits. That is why we also support seniors' access to affordable prescription drugs and long term care, and a reduction in out-of-pocket expenses.

Medicare participants now have the peace of mind of knowing that health care decisions are made on the basis of sound medical science and not on the financial needs of stockholders and managers. But turning over Medicare to the HMOs is a radical step backward that will only harm seniors living on fixed incomes. If this plan is adopted, seniors will receive fewer benefits, marginal care, and will face rising costs. The Breaux-Thomas proposal is not the answer.

THANK YOU, MAYOR COX

**HON. ED BRYANT**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. BRYANT. Mr. Speaker, the residents of Collierville, TN, will be seeing an historic change in their home this year. Collierville Mayor Herman Wright Cox has decided to step down after serving the residents of this West Tennessee city for 40 years.

Mayor Cox began his career in public service in 1959, first as a city alderman until 1965 when he was elected vice mayor for the city. Then in 1975, he was elected for the first time as mayor.

Since that time, Mayor Cox and the rest of Collierville has seen enormous growth within the community from small businesses to large corporations making the city their home and employing so many Collierville residents.

But aside from the business and industry in the region, the community has made monumental strides in providing a variety of community-based parks and recreation facilities, such as the Collierville Community Center, the

Harrell Performing Arts Theater, Powell Road Park, W.C. Johnson Park, Suggs Park, and the renovation of the town square and the greenbelt walkways.

Mayor Cox also ensured the community a state of the art police station, an award-winning police department, new fire stations and a highly qualified fire department.

Mayor Cox's legacy also includes the prestigious 3-star rating and designation for the town, which speaks volumes of the work he has done for this city.

I commend Mayor Cox for his outstanding contribution to the community, which has thrived under his administration. It is a great loss to the community to have him out of the mayor's office, but it is comforting to know that we can always find him at his service station office if we ever need advice or some guidance as Collierville continues to grow.

TRIBUTE TO CHERYL SETO

**HON. GARY G. MILLER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. GARY MILLER of California. Mr. Speaker, I rise today to honor seven young women in my district who have earned the Girl Scout Gold Award, the highest award in Girl Scouting.

The Gold Award requires the greatest achievement in career exploration, service to other people, and acquisition of skills. This award is a strong reflection of these youngsters' ability to set goals, to put value into action, to plan, and to relate to the needs of the community.

I wish to recognize Cheryl Seto of Troop 286 in Placentia, CA.

Mr. Speaker, I also wish to congratulate and thank Karin Carlson, Director of Program Services for the Girl Scout Council of Orange County for notifying of their achievements. On behalf of the people of the 41st Congressional District of California, let me say that we are all proud of you.

INTERNET ENGINEERING

**HON. BOB GOODLATTE**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. GOODLATTE. Mr. Speaker, I rise today as co-chairman of the bipartisan Congressional Internet Caucus to recognize a major step taken last week to develop the growing Internet economy of the United States.

In my home state of Virginia, just a few hours from the United States Capitol, the University of Virginia took the first step last week toward developing America's most technologically advanced Internet Engineering curriculum.

As we all know, high-tech and the Internet are a major part of the economic growth we have enjoyed these last few years. Over the next five years high-tech will create 1.8 million new jobs in the U.S.—1.8 million.

Because of an innovative public/private partnership, and thanks to the generosity of Cisco Systems and MCI/Worldcom, which have just

donated over \$1 million in new equipment to the University, UVA is now creating VINT-Lab, the premier high-tech training facility of its kind.

You see, Mr. Speaker, the thing about creating nearly two million new, high-tech jobs is that no good comes of it unless there's qualified people to fill them. What the folks at UVA and Cisco are trying to do is make sure that the young people of today are prepared to build the economy of tomorrow.

I think we'll be seeing a lot more public/private partnerships like this in the future, and as co-chairman of the Internet Caucus, I will certainly be working to promote them.

PUBLIC SAFETY OFFICER MEDAL  
OF VALOR ACT OF 1999

SPEECH OF

**HON. MICHAEL N. CASTLE**

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 13, 1999*

Mr. CASTLE. Mr. Speaker, I rise today in support of H.R. 46, the "Public Safety Officer Medal of Valor Act." Our nation's firefighters, enforcement officers, and other emergency services personnel put themselves at risk every day to assure the safety of the general public. Just as our military personnel are recognized for extraordinary acts of valor in the effort to preserve peace abroad, so should our domestic safety officers be recognized for their bravery above and beyond the call of duty.

Last year, Members of Congress witnessed an extraordinary act of valor as Capitol Hill police officers gave their lives defending the Halls of Congress from a gunman intent on shooting his way into Congress. It was a potent reminder of the risks every public safety officer face each and every day. I never will forget that sacrifice and by supporting this legislation I hope to draw more attention to sacrifices of the hundreds of thousands of public safety officers that serve our country.

In Delaware, I am particularly proud of the work of our firefighters because most of them serve the state voluntarily. Likewise, Delaware's police officers often find themselves squarely in the sights of a criminal's handgun, which prompted me to support legislation to provide all of Delaware's police force with bulletproof vests.

Again, I urge every Member to come together and support the "Public Safety Officer Medal of Valor Act." It symbolizes honor and recognition that is long past due.

A TRIBUTE TO THE MEMBERS OF  
THE DAYTON-SOEHLKE-  
OHLHORST POST # 5350 OF THE  
VETERANS OF FOREIGN WARS IN  
QUOGUE, NEW YORK

**HON. MICHAEL P. FORBES**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. FORBES. Mr. Speaker, I rise today to pay tribute to the members of the Dayton-Soehlke-Ohlhorst Post #5350 of the Veterans of Foreign Wars in Quogue, Long Island as they celebrate the 53rd Anniversary of the Post's founding.

Established by a small group of veterans who helped lead America to victory in World War I and World War II, the Dayton-Soehlke-Ohlhorst Post #5350 was officially chartered in mid-1946, and was named in honor of the first veterans to die in combat from Westhampton Beach, Quogue and East Quogue—the three communities that made up the bulk of the Post's membership.

During Dayton-Soehlke-Ohlhorst Post #5350's 53-year lifespan, many changes have come to this area of Long Island. What remains unchanged is the devotion that the Post's members possess for our great Nation and their comrades-in-arms. The Post meets regularly on the fourth Thursday of each month, and during the course of the year hosts a number of family-oriented activities. And it goes without saying that the Post members take great pride in honoring their fallen comrades and America's war veterans during every Memorial Day and Veterans Day observance.

Yet, Mr. Speaker, Post #5350 continues to look for new members whose passion and faith in America has never wavered. Indeed, the Post intends to expand its membership not only with the veterans of WWII, Korea and Vietnam, but also veterans of conflicts in Lebanon, Grenada, Panama, the Persian Gulf, and Somalia. One of those veterans is the current Post Commander, Arma "Ham" Andon, a true patriot and selfless public servant who I am proud to call my dear friend.

As citizens of this free and prosperous Nation, all Americans owe our war veterans a tremendous debt of gratitude for the sacrifices they endured and the efforts they made on our behalf. That is why, Mr. Speaker, I ask my colleagues in the House of Representatives to join me on this 53rd anniversary in saluting Dayton-Soehlke-Ohlhorst Post #5350 of the Veterans of Foreign Wars and all of its members for all they do for our veterans and for all they've done for America.

#### INDIVIDUAL TAX SIMPLIFICATION ACT OF 1999

**HON. RICHARD E. NEAL**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing the Individual Tax Simplification Act of 1999, and invite all my colleagues to join me in sponsoring this legislation.

It is fitting that this bill on tax simplification is being introduced on the day before April 15th. At this time of year, simplification is on everyone's mind—and wish list. While it may not fulfill everyone's wish, this bill will eliminate approximately 200 lines from tax forms, schedules and worksheets. My bill generally does this in a revenue neutral manner, and without moving money between economic income groups. As we all know, no more so than at this time of the year, the tax code is terribly complex, and has become dramatically more complex for average taxpayers during the past four years.

A skeptic might argue that there is no constituency for simplification, but that is changing. A recent poll by ICR found that 66 percent said the federal tax system is too complicated. Three years ago slightly less than half agreed.

I believe that with a little compromise, we can enact significant tax simplification. That is why I have made sure this bill is essentially revenue neutral, so it contains no tax increase. And that is why the bill does not try to change the tax burden between economic income groups. This is not an attack on the wealthy, nor anyone else. As with any change in the tax law, there are some winners and losers—but I want to stress that this is incidental to the objective of the bill—which is simplification that benefits us all.

The bill has three parts. The first is based on legislation I introduced last year and introduced again earlier this year regarding non-refundable personal credits. The second part simplifies the taxation of capital gains. The third part repeals two hidden marginal tax rate on high income individuals, and repeals the individual minimum tax.

#### TITLE I—SIMPLIFICATION RELATING TO NONREFUNDABLE PERSONAL CREDITS

In recent years, much tax relief has been given to taxpayers in the form of nonrefundable credits, like the two education credits and the child credit. These credits are not usable against the alternative minimum tax. That means that more and more individuals will lose all or part of these credits, and will have to fill out the extremely complicated AMT form. Congress recognized this problem last year by enacting my proposal to waive this for the 1998 tax year.

The other problem with nonrefundable credits is that the phase out provisions vary from credit to credit, causing unnecessary complexity. In addition, the same additional dollar of income can result in a reduction in more than one nonrefundable credit.

It is fundamentally wrong to promise the American public tax relief, then take all or part of it away in a backhanded manner. This fundamentally flawed policy, enacted in 1997, will get worse each and every year as more American families find themselves to be AMT taxpayers simply because of the impact of inflation, or because of their desire to take advantage of the tax relief we have promised them. Not only that, this situation will also get worse as additional nonrefundable credits are approved by Congress, such as the President's proposals to assist taxpayers with long-term care needs, and the disabled workers tax credit.

The bill addresses both concerns. First, it permanently waives the minimum tax limitations on nonrefundable credits, and on the refundable portion of the family (or child) credit which has the same problem with the AMT as nonrefundable credits. Second, the bill creates a single phase out range for the adoption credit, the family credit, and the education credits, replacing the current three phase out ranges.

This part of the bill is paid for by reducing the income limitation on the family credit from \$110,000 to \$85,000 on a joint return, and from \$75,000 to \$58,000 for a single individual. This provides a slight increase in the income limits on the education credits and the adoption credit, so about 85 percent of all families will be unaffected or receive tax reductions under this trade off.

#### TITLE II—SIMPLIFICATION OF CAPITAL GAINS TAX

The second title of this bill is, essentially, Mr. Coyne's capital gains proposal from last year. Under current law, there are 5 different tax rates for long term capital gains, and a 54

line tax form that must be endured. Moreover, this part of the tax code is already scheduled to get worse because additional rates will take effect under current law in 2001 and 2006.

The solution is clear. Replace this jumble of rates and forms with a simple 38 percent exclusion. Not only will this result in tremendous simplification (eliminating 36 of the 54 lines), but more than 97 percent of individuals would be eligible for modest capital gains tax reductions. This section of the bill pays for itself.

#### TITLE III—REPEAL OF CERTAIN HIDDEN MARGINAL RATE INCREASES, AND OF THE INDIVIDUAL MINIMUM TAX

The third title of the bill repeals the hidden marginal rate increases in current law, and repeals the individual minimum tax. Most of my colleagues understand the phrases, PEP and Pease. Under current law, itemized deductions are gradually reduced by 3 percent of adjusted gross income above approximately \$124,000. This is known as the Pease provision. In addition, personal exemptions are phased out for incomes between approximately \$187,000 and \$309,000. This is PEP. If we did not hide the effect of these provisions of current law, more people would know that these provisions result in hidden marginal rate increases. These marginal rate increases begin at almost 1 percent for incomes above \$124,000, and increases for those with incomes above \$187,000 by about .78 percent for each dependent. The important point here is that current law has a hidden marginal rate increase, which gets worse as families grow larger.

The second part of this title is complete repeal of the individual minimum tax. The minimum tax was intended to make sure that wealthy individuals did not overuse certain tax benefits and unfairly reduce their tax burden. It no longer accomplishes that goal. Most of the significant business related provisions have already been repealed. Since the AMT is not adjusted for inflation, more and more middle and upper middle income taxpayers are falling into the AMT. This is not what was intended, especially when you note that what pushes taxpayers into the AMT now, more often than not, are State and local income and property taxes, personal exemptions, and the nonrefundable credits. I repeat, this is not what Congress was trying to accomplish when the AMT was passed.

My suggestion is to repeal it for individuals, and substitute a simple tax on adjusted gross income, and an increase in the current floor on miscellaneous itemized deductions. The current hidden tax is dropped, and is paid for with an explicit tax on the same individuals. They get simplification, and we convert a deceptive practice into an open one.

Specifically, the replacement tax begins at 1 percent for adjusted gross incomes in excess of \$120,000 on a joint return, and increases to 2.08 percent for income greater than \$150,000, which is where the minimum tax exemption begins to phase out. The bill would also increase the floor on miscellaneous itemized deductions to 4 percent for adjusted gross incomes greater than \$100,000.

#### CONCLUSION

Ironically, this simplification proposal must be complex, because it mirrors our current law. I want, therefore, to focus on what is important.

This bill provides fairly dramatic simplification of the individual tax system.

It eliminates approximately 200 lines on tax forms, schedules and worksheets.