

nomination provisions for contracting purposes. This provision effectively waives the prime contracts that the Centers of Medicare and Medicaid Services (CMS) currently has with national organizations and permits CMS to contract directly with entities during the transition period prior to the October 1, 2003 effective date without regard to competitive bidding procedures.

I would like to express my sincere appreciation to both Ways and Means Health Subcommittee Chairwoman JOHNSON and Ranking Member STARK, and their respective staffs, for being so accommodating and working together to create responsible, well-targeted regulatory legislation.

I urge my colleagues to support H.R. 3391, and I hope the Senate will work quickly to pass this legislation prior to the end of this Congressional Session.

Mr. BROWN of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Connecticut (Mrs. JOHNSON) that the House suspend the rules and pass the bill, H.R. 3391.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. TAUZIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### AMENDING INTERNAL REVENUE CODE TO SIMPLIFY REPORTING REQUIREMENTS

Mr. HULSHOF. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3346) to amend the Internal Revenue Code of 1986 to simplify the reporting requirements relating to higher education tuition and related expenses.

The Clerk read as follows:

H.R. 3346

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

#### SECTION 1. SIMPLIFICATION OF REPORTING REQUIREMENTS RELATING TO HIGHER EDUCATION TUITION AND RELATED EXPENSES.

(a) AMENDMENT RELATING TO PERSONS REQUIRED TO MAKE RETURN.—Paragraph (1) of section 6050S(a) of the Internal Revenue Code of 1986 (relating to returns relating to higher education tuition and related expenses) is amended to read as follows:

“(1) which is an eligible educational institution which enrolls any individual for any academic period;”.

(b) AMENDMENTS RELATING TO FORM AND MANNER OF RETURNS.—Subsection (b) of section 6050S of such Code is amended as follows:

(1) Paragraph (1) is amended by inserting “and” after the comma at the end.

(2) Subparagraph (A) of paragraph (2) is amended to read as follows:

“(A) the name, address, and TIN of any individual—

“(i) who is or has been enrolled at the institution and with respect to whom transactions described in subparagraph (B) are made during the calendar year, or

“(ii) with respect to whom payments described in subsection (a)(2) or (a)(3) were made or received.”.

(3) Paragraph (2) of section 6050S(b) of such Code is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(4) Subparagraph (B) of section 6050S(b)(2) of such Code, as redesignated by paragraph (3), is amended to read as follows:

“(B) the—

“(i) aggregate amount of payments received or the aggregate amount billed for qualified tuition and related expenses with respect to the individual described in subparagraph (A) during the calendar year,

“(ii) aggregate amount of grants received by such individual for payment of costs of attendance that are administered and processed by the institution during such calendar year,

“(iii) amount of any adjustments to the aggregate amounts reported by the institution pursuant to clause (i) or (ii) with respect to such individual for a prior calendar year,

“(iv) aggregate amount of reimbursements or refunds (or similar amounts) paid to such individual during the calendar year by a person engaged in a trade or business described in subsection (a)(2), and

“(v) aggregate amount of interest received for the calendar year from such individual, and”.

(c) CONFORMING AMENDMENTS.—Subsection (d) of section 6050S of such Code is amended—

(1) by striking “or (B)”, and

(2) in paragraph (2), by striking “subparagraph (C)” and inserting “subparagraph (B)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or assessed after December 31, 2002 (in taxable years ending after such date), for education furnished in academic periods beginning after such date.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. HULSHOF) and the gentleman from Maryland (Mr. CARDIN) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri (Mr. HULSHOF).

#### GENERAL LEAVE

Mr. HULSHOF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3346.

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

There was no objection.

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

Mr. Speaker, education is the great equalizer, and getting a college education remains a part of the American dream. Yet affording that education at an institution of higher learning can be a nightmare for a prospective student or that student's family.

According to a 1997 GAO report, since the early 1980s college tuition has increased by 234 percent, which of course far outpaces the cost of living or any

rise in family income. Some students balance their class work with part-time jobs, others rely on financial aid packages or scholarships. This body, Mr. Speaker, has attempted in the past to ease the financial burden. Back in 1997 Congress passed and former President Clinton signed into law the Taxpayer Relief Act of 1997. This legislation created the Hope Tax Credit as well as the Lifetime Learning Tax Credit to help families afford the cost of sending a child to college.

Since then we have built on our work. We have added to the success of the 1997 bill. We have expanded education savings account. We have made prepaid tuition plans more attractive, and we have expanded the student loan interest deduction.

When the merits of the Hope Credit and the Lifetime Learning Credit were being considered back in 1997, the potential compliance costs for colleges and universities were raised as a potential drawback. In fact, I recall and probably the gentleman from Maryland (Mr. CARDIN) may recall the particular hearing we had in front of the Committee on Ways and Means and the former Treasury Secretary was appearing before us, and I asked Mr. Rubin about the compliance cost. We had been alerted to some potential substantial administrative burdens that colleges and universities were going to have to undertake, even while implementing this worthwhile legislation. I recall the answer that Mr. Rubin gave; he felt it would be a small, insignificant cost.

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In fact, I think he said it would be the cost of a pencil and a piece of paper. Well, as C-SPAN was covering that hearing live that day, the phone lines in our congressional office began to light up as school administrators from around the country began to call, again with this concern about this burden, this compliance cost that they would have to undertake if, in fact, we enacted the HOPE scholarship or the HOPE tax credit, as well as the lifetime learning credit and, unfortunately, their premonition has been borne out. It has been clear that our Nation's institutions of higher learning have faced significant increased administrative burdens, which brings us today.

The bill before us, H.R. 3346 that has been introduced by the gentleman from Illinois (Mr. MANZULLO), accomplishes the goal of reducing administrative burdens on schools, while retaining the integrity of the HOPE and lifetime learning credits. We accomplish this by modifying how tuition amounts are reported and also eliminating an unneeded reporting requirement in current law that colleges and universities provide the Internal Revenue Service with the name, address, and taxpayer identification number of taxpayers who could claim students attending the school as dependents. While these

changes may seem minor, I can assure my colleagues that they will greatly reduce the administrative burdens on our colleges and universities. I urge this body to be supportive of H.R. 3346.

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

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

First let me thank the gentleman from Missouri (Mr. HULSHOF) for bringing forward this legislation. I agree with him that this is an important bill that helps us move forward on making it easier for families to afford college education and reducing the administrative burden of tax laws. I also want to congratulate the gentleman from Illinois (Mr. MANZULLO) for bringing forward this bill. It is his legislation. I thank him for putting together a sensible bill that will reduce the costs of compliance without raising the level of potential abuse. That is what we all try to do.

First, Mr. Speaker, this bill makes it easier for families to be able to have the HOPE scholarship and lifetime learning tax credit which this body, this Congress, passed in 1997, that allows up to a \$1,500 tax credit for higher education expenses. The gentleman from Missouri (Mr. HULSHOF) is correct. Education is a very important part of the American dream. We want to make it easier for American families to afford higher education. We want all Americans who can benefit from higher education to be able to afford higher education for their children, and the HOPE scholarship and lifetime learning tax credit carries out that commitment.

Mr. Speaker, many times Congress, in well-intended legislation, causes burdens to the private sector that are not really necessary. We are well intended in what we think is necessary in order for compliance. I remember working with the gentleman from Cincinnati, Ohio (Mr. PORTMAN), on IRS reform, and one of our principal objectives was to make the Tax Code easier to understand and to make it simpler for people to comply with the laws that we passed. This bill does that. This bill makes it easier for compliance.

The first part on reporting, the current law makes it difficult for some colleges to be able to report the dollar amount that is impacted by the credit. We make it a little bit easier by allowing the college to report the amount of expenses or the amount that is paid. It is a simple change, but it allows a lot of colleges to allow their current computer program to be adequate to deal with the reporting needs of the Federal Government, rather than requiring them to change their entire system in order to meet the needs of the tax credit. That is common sense.

The second is the reporting of the taxpayer identification number. We already have the taxpayer identification number of the student, and that is all we really need because we can match that, and the IRS has indicated they

can match that, rather than requiring a reporting number of the person who claims the child, adding to the complexity again, and adding to information that is not readily available by the college and university that is reporting the information to the government.

So the changes that are made in the legislation are common sense. They make it easier for the colleges and universities to comply with reporting requirements. It does not add to the potential abuse of tax law and it makes it easier for the law that Congress passed in 1997 to be utilized by American families. It is a bipartisan bill. It is a bill that I hope every Member of this body will support.

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

Mr. HULSHOF. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. MANZULLO), the author and original sponsor of this legislation.

Mr. MANZULLO. Mr. Speaker, of the many Federal regulations with which colleges and universities are required to comply, one of the most onerous is that associated with the HOPE scholarship and lifetime learning tax credit. Originally enacted as part of the Taxpayer Relief Act of 1997, the tax credits were intended to give parents back more of their hard-earned money, up to \$1,500 for the first 2 years of college, so that they could better afford to send their children to school.

While we were successful in providing this tax relief for students and families, we discovered an unintended consequence: an unfunded mandate burdening colleges, trade schools, community colleges, and universities in the form of a reporting requirement administered by the IRS.

I became aware of this regulatory issue during the fall of 1997. I was discussing several concerns with Dr. La Tourette, president of Northern Illinois University. While talking about the merits of the HOPE scholarship, he dropped the bombshell on me and informed us of the new Federal requirements forcing all 6,000 institutions of higher education in this country to collect unprecedented information on their students and disseminate that information to the IRS.

I knew compliance with the reporting requirement would be expensive and would ultimately be borne by the very families that they were trying to help with the HOPE scholarship program. Both large and small institutions have been hit hard by the reporting requirement. The cost to schools to implement and abide by these regulations will soar into the hundreds of millions of dollars. And, of course, they will be passed on to the consumers of education, which are the parents and the students.

Since my conversation with Dr. La Tourette, I have worked with members of the higher education community and with Commissioner Charles Rossotti of

the IRS to simplify the reporting requirements and ease the burden of the regulations on the colleges and universities of this country. Today, I am proud to say that H.R. 3346 is the product of a partnership that evolved between the IRS, the Treasury Department, the higher education community, and myself, and this can serve as a model for how we can positively impact higher education in the future by working together.

Specifically, while H.R. 3346 maintains the reporting requirement, the bill eliminates certain elements of the law such as reporting a third party's Social Security number, and changes others, such as allowing schools to report the amount students are billed or the amount they are paid. It is my hope that the simplifications instituted as part of H.R. 3346 will make the reporting significantly easier on colleges and universities.

Early estimates from Northern Illinois University predict that as a result of the passage of this bill, this school could avoid a one-time cost of approximately \$90,000. This includes the costs of program computer systems to accommodate requirements included in the original legislation that are not included in the pending legislation, as well as what it would cost initially to implement Social Security number reporting of the taxpayer claiming the student as a dependent.

Additionally, the university would have incurred ongoing costs on an annual basis for solicitation and data entry of the student-reported information, and those costs are estimated at \$30,000 a year. The University of California's system expects to save \$1 million in the first year alone as a result of H.R. 3346. Overall, the savings the schools will attain as a result of this legislation are very significant. When we consider that most institutions of higher education would incur costs of similar proportion, the impact is particularly traumatic.

I would be remiss if I did not take a moment to heartily thank Commissioner Rossotti with whom we met on no less than three different occasions in order to fashion this legislation. I also want to thank Curt Wilson and Beverly Babers of the staff. I would like to thank Northern Illinois University, both former president Dr. La Tourette and current president Dr. John Peters and Kathe Shineham from the school for their insights and efforts as we have worked to craft this legislation. This bill is a memorial to Dr. Ruth Mercedes-Smith, former president of Highland Community College, who was killed in a car accident several months ago. Her support for our work was invaluable. Also, Dr. Chapdelaine of Rock Valley Community College and Dr. LaVista of McHenry Community College, and the National Association of Colleges and Universities Business Offices. All of these groups worked tirelessly together in order to craft the legislation. It took

us 4 years to do it. During that period of time, the IRS worked with us, they withheld the implementation of these regulations because they knew that the goal was worthy. Lastly, I want to thank Sarah Giddens of our staff who, for 4 years, tirelessly worked on this legislation, dogging it dot by dot, i by i, in the hundreds of meetings, literally, that she had and the hours that she poured into this piece of legislation.

Mr. Speaker, it is a great piece of legislation. Instead of spending money on regulatory compliance, the schools can spend that money doing what they do best, and that is educating the kids.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 5 minutes to the gentlewoman from Florida (Mrs. THURMAN), a distinguished member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time, who may have to watch my university play in the Orange Bowl. We were just discussing that over here. But I want to say to the gentleman from Illinois (Mr. MANZULLO) how welcome this piece of legislation is. I do not know if my colleagues are reading what is happening in Florida right now, but the legislature is in a special session specifically for the purpose of cutting their budgets. The headline news in Florida is that the State universities were hit with cuts in excess of \$100 million, while community colleges must deal with \$33 million.

As the gentleman from Missouri (Mr. HULSHOF) has said, one of the things that makes our country great is the ability for us to have an educated population. What we did in 1997 in providing the \$1,500 tax credit for the HOPE scholarship and the lifetime learning tax credits I was hoping would not be taken away from by the administrative nightmares that they might be facing, as my colleagues can imagine, also based on the numbers that we heard of the increased tuition. I do not know where those monies are going to come from when they cut them, but certainly we did not want them to have to be raised in tuition. With the gentleman's help, we are going to be able to see this \$1,500 and the bureaucracy cut so that our universities and our community colleges are not going to have to be hiring new staff and setting up new computer programs, so this might help them in looking at their overall budgets if we get this passed and through over in the Senate.

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I just want to say that, in conclusion, because of the work and the people that the gentleman has recognized, this is a work that the higher education community has asked for. They have asked for the greater flexibility in reporting information to the IRS about the education tax credits. I believe that H.R. 3346 provides that requested flexibility through the simplification of the Tax Code.

I might just say, for all of us who serve on the Committee on Ways and Means, that it is always a pleasure for us to be able to come to the floor and talk about the idea that we are simplifying, and not adding to, the tax codes in this country.

I think it is something that the American people want us to be doing, have suggested that we do; and as we can see, as we work in a bipartisan manner, in fact we can provide not only the dream for our students and to help our universities, but we can also help the taxpayers of this country. So we thank the gentleman for his leadership.

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

Mr. Speaker, I have a few concluding remarks.

First, I want to amplify a point that my friend, the gentleman from Maryland (Mr. CARDIN), made regarding the situation regarding the computer systems.

The point is that as educational institutions begin to raise some concerns that these new reporting requirements would require their schools to completely revamp their computer systems at a substantial cost, these institutions noted that complying with the law's requirement to report tuition payments received would be difficult, and that because schools keep a running total of the payments that they receive from students, in other words, payments are not applied separately to tuition, but instead are applied to a student's total outstanding balance that may include room and board, books, student fees for recreational activities, or other costs, and, moreover, payments are not applied to any particular academic year. As a result, these institutions would have had to change their accounting and computer systems dramatically to make them compatible with reporting requirements. We have undertaken, instead, a change in those reporting requirements so those colleges and universities will not have to undertake that substantial cost.

As a final comment, I would just advise my colleagues that in the 1999 calendar year, the Hope scholarship credit was claimed by 3,334,000 students; the lifetime learning tax credit was claimed for 3,575,000 college students.

Clearly, the work we have done here in Congress back in 1997 has taken a large step forward as far as making higher education more affordable. I think we are taking an additional step forward for the administrators of these colleges and universities by reducing their burden.

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

Madam Speaker, let me just concur with my friend, the gentleman from Missouri (Mr. HULSHOF).

Also, I would like to compliment the Internal Revenue Service. We do not often say that. But they have worked with us to implement, as the gen-

tleman from Illinois (Mr. MANZULLO) has pointed out, this part of the code in a taxpayer-friendly way. If we look at the 1098-T form and 8863 form, I think we will find both of those forms are easy for the taxpayer to use.

They worked with us to modify the law in regard to the unnecessary burden upon the institutions of higher education. As a result, we have had, I think, the right spirit in simplifying the Tax Code to carry out the purposes of Congress.

This legislation is important legislation, and I urge my colleagues to support it.

Mr. HULSHOF. Madam Speaker, I urge adoption of H.R. 3346, and I yield back the balance of my time.

Mr. CARDIN. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Illinois (Mr. MANZULLO) that the House suspend the rules and pass the bill, H.R. 3346.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### GERALD B.H. SOLOMON SARATOGA NATIONAL CEMETERY

Mr. SMITH of New Jersey. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3392) to name the national cemetery in Saratoga, New York, as the Gerald B.H. Solomon Saratoga National Cemetery, and for other purposes.

The Clerk read as follows:

H.R. 3392

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

#### SECTION 1. FINDINGS.

The Congress finds the following:

(1) Gerald Brooks Hunt "Jerry" Solomon of Glens Falls, New York, served in the House of Representatives for 10 terms, from January 3, 1979, to January 3, 1999, and during that service gained a reputation for being outspoken and tenacious in presenting his views on a wide range of issues.

(2) Congressman Solomon was born in Okeechobee, Florida, and grew up there during the Great Depression before moving to New York in 1945.

(3) Congressman Solomon enlisted in the United States Marine Corps at the onset of the Korean War and served in the Marine Corps for 8½ years on active and reserve duty.

(4) Before being elected to Congress in 1978, Congressman Solomon was a businessman in Glens Falls, New York.

(5) During his 20-year congressional career, Congressman Solomon served as the ranking Republican on the Committee on Veterans' Affairs, where he was recognized by the veterans community as one of its strongest advocates. Among his other accomplishments for veterans, Congressman Solomon spearheaded the effort to create the Cabinet-level Department of Veterans Affairs and successfully led a 15-year drive to establish the Saratoga National Cemetery in Saratoga, New York, where he is now interred.