be proposed by him to the bill H.R. 1836, supra.

SA 766. Mr. NELSON, of Florida (for himself and Mrs. BOXER) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 767. Mrs. BOXER (for herself and Mr. NELSON, of Florida) proposed an amendment to the bill H.R. 1836, supra.

SA 768. Mr. DASCHLE proposed an amendment to the bill H.R. 1836, supra.

SA 769. Mr. NELSON, of Nebraska submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 770. Mr. LEVIN proposed an amendment to the bill H.R. 1836, supra.

SA 771. Mr. LEVIN proposed an amendment to the bill H.R. 1836, supra.

SA 772. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 773. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 774. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 775. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 776. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 777. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 778. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 779. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 780. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 781. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra.

SA 782. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 783. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

SA 784. Mr. HARKIN (for himself and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill H.R. 1836, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 763. Mr. GRAHAM (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, in the last column of the table between lines 11 and 12, strike ''38.6%'', ''37.6%'', and ''36%'' and insert ''39.6%'', ''38.6%'', and ''37.6%'', respectively.

On page 314, after line 21, add the following:

Subtitle B—Long-Term Care and Retirement Security

SEC. ___. TREATMENT OF PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions), as amended by this Act, is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

''SEC. 223. PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount of eligible long-term care premiums (as defined in section 213(d)(10)) paid during the taxable year for coverage for the taxpayer, his spouse, and dependents under a qualified long-term care insurance contract (as defined in section 7702B(b)).

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the applicable percentage shall be determined in accordance with the following table based on the number of years of continuous coverage (as of the close of the taxable year) of the individual under any qualified long-term care insurance contracts (as defined in section 7702B(b)):

''If the number of years of continuous coverage is—	**The applicable long-term care percentage is—**
Less than 1	60
At least 1 but less than 2	70
At least 2 but less than 3	80
At least 3 but less than 4	90
At least 4	100.

''(2) SPECIAL RULES FOR INDIVIDUALS WHO HAVE ATTAINED AGE 55.—In the case of an individual who has attained age 55 as of the close of the taxable year, the following table shall be substituted for the table in paragraph (1).

''If the number of years of continuous coverage is—	**The applicable long-term care percentage is—**
Less than 1	70
At least 1 but less than 2	85
At least 2	100.

''(3) ONLY COVERAGE AFTER 2000 TAKEN INTO ACCOUNT.—Only coverage for periods after December 31, 2000, shall be taken into account under this subsection.

''(4) CONTINUOUS COVERAGE.—An individual shall not fail to be treated as having continuous coverage if the aggregate breaks in coverage during any 1-year period are less than 60 days.

''(c) COORDINATION WITH OTHER DEDUCTIONS.—Any amount paid by a taxpayer for any qualified long-term care insurance contract to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 162(l) or 213(a).''.

(b) LONG-TERM CARE INSURANCE PERMITTED TO BE OFFERED UNDER CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.—

(1) CAFETERIA PLANS.—Section 125(f) (defining qualified benefits) is amended by inserting before the period at the end ''; except that such term shall include the payment of premiums for any qualified long-term care insurance contract (as defined in section 7702B) to the extent the amount of such payment does not exceed the eligible long-term care premiums (as defined in section 213(d)(10)) for such contract''.

(2) FLEXIBLE SPENDING ARRANGEMENTS.—Section 106 (relating to contributions by an employer to accident and health plans) is amended by striking subsection (c).

(c) CONFORMING AMENDMENTS.—

(1) Section 62(a), as amended by this Act, is amended by inserting after paragraph (18) the following new item:

''(19) PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—The deduction allowed by section 223.''.

(2) The table of sections for part VII of subchapter B of chapter 1, as amended by this Act, is amended by striking the last item and inserting the following new items:

''Sec. 223. Premiums on qualified long-term care insurance contracts.

''Sec. 224. Cross reference.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2002.

SEC. ___. CREDIT FOR TAXPAYERS WITH LONG-TERM CARE NEEDS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

''SEC. 25D. CREDIT FOR TAXPAYERS WITH LONG-TERM CARE NEEDS.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable credit amount multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.

''(2) APPLICABLE CREDIT AMOUNT.—For purposes of paragraph (1), the applicable credit amount shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	**The applicable credit amount is—**
2001	$1,000
2002	1,500
2003	2,000
2004	2,500
2005 or thereafter	3,000.

''(b) LIMITATION BASED ON ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $100 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds the threshold amount. For purposes of the preceding sentence, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

''(2) THRESHOLD AMOUNT.—For purposes of paragraph (1), the term 'threshold amount' means—

''(A) $150,000 in the case of a joint return, and

''(B) $75,000 in any other case.

''(3) INDEXING.—In the case of any taxable year beginning in a calendar year after 2001, each dollar amount contained in paragraph (2) shall be increased by an amount equal to the product of—

''(A) such dollar amount, and

''(B) the medical care cost adjustment determined under section 213(d)(10)(B)(ii) for the calendar year in which the taxable year begins, determined by substituting 'August 2000' for 'August 1996' in subclause (II) thereof.

If any increase determined under the preceding sentence is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

''(c) DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'applicable individual' means, with respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in subparagraph (B) for a period—

''(i) which is at least 180 consecutive days, and

''(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

''(B) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—An individual is described in this subparagraph if the individual meets any of the following requirements:

''(i) The individual is at least 6 years of age and—

''(I) is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

''(II) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

''(ii) The individual is at least 2 but not 6 years of age and is unable due to a loss of functional capacity to perform (without substantial assistance from another individual) at least 2 of the following activities: eating, transferring, or mobility.

''(iii) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent.

''(2) ELIGIBLE CAREGIVER.—

''(A) IN GENERAL.—A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

''(i) The taxpayer.

''(ii) The taxpayer's spouse.

''(iii) An individual with respect to whom the taxpayer is allowed a deduction under section 151 for the taxable year.

''(iv) An individual who would be described in clause (iii) for the taxable year if section 151(c)(1)(A) were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount, the standard deduction under section 63(c)(2)(C), and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (iii) applied.

''(v) An individual who would be described in clause (iii) for the taxable year if—

''(I) the requirements of clause (iv) are met with respect to the individual, and

''(II) the requirements of subparagraph (B) are met with respect to the individual in lieu of the support test of section 152(a).

''(B) RESIDENCY TEST.—The requirements of this subparagraph are met if an individual has as his principal place of abode the home of the taxpayer and—

''(i) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer's spouse, is a member of the taxpayer's household for over half the taxable year, or

''(ii) in the case of any other individual, is a member of the taxpayer's household for the entire taxable year.

''(C) SPECIAL RULES WHERE MORE THAN 1 ELIGIBLE CAREGIVER.—

''(i) IN GENERAL.—If more than 1 individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual (other than the taxpayer) files a written declaration (in such form and manner as the Secretary may prescribe) that such individual will not claim such applicable individual for the credit under this section.

''(ii) NO AGREEMENT.—If each individual required under clause (i) to file a written declaration under clause (i) does not do so, the individual with the highest modified adjusted gross income (as defined in section 32(c)(5)) shall be treated as the eligible caregiver.

''(iii) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of married individuals filing separately, the determination under this subparagraph as to whether the husband or wife is the eligible caregiver shall be made under the rules of clause (ii) (whether or not one of them has filed a written declaration under clause (i)).

''(d) IDENTIFICATION REQUIREMENT.—No credit shall be allowed under this section to a taxpayer with respect to any applicable individual unless the taxpayer includes the name and taxpayer identification number of such individual, and the identification number of the physician certifying such individual, on the return of tax for the taxable year.

''(e) TAXABLE YEAR MUST BE FULL TAXABLE YEAR.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 6213(g)(2) is amended by striking ''and'' at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting '', and'', and by inserting after subparagraph (L) the following new subparagraph:

''(M) an omission of a correct TIN or physician identification required under section 25D(d) (relating to credit for taxpayers with long-term care needs) to be included on a return.''.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

''Sec. 25D. Credit for taxpayers with long-term care needs.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ___. ADDITIONAL CONSUMER PROTECTIONS FOR LONG-TERM CARE INSURANCE.

(a) ADDITIONAL PROTECTIONS APPLICABLE TO LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (B) of section 7702B(g)(2) (relating to requirements of model regulation and Act) are amended to read as follows:

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to any contract if such contract meets—

''(i) MODEL REGULATION.—The following requirements of the model regulation:

''(I) Section 6A (relating to guaranteed renewal or noncancellability), and the requirements of section 6B of the model Act relating to such section 6A.

''(II) Section 6B (relating to prohibitions on limitations and exclusions).

''(III) Section 6C (relating to extension of benefits).

''(IV) Section 6D (relating to continuation or conversion of coverage).

''(V) Section 6E (relating to discontinuance and replacement of policies).

''(VI) Section 7 (relating to unintentional lapse).

''(VII) Section 8 (relating to disclosure), other than section 8F thereof.

''(VIII) Section 11 (relating to prohibitions against post-claims underwriting).

''(IX) Section 12 (relating to minimum standards).

''(X) Section 13 (relating to requirement to offer inflation protection), except that any requirement for a signature on a rejection of inflation protection shall permit the signature to be on an application or on a separate form.

''(XI) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

''(XII) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

''(ii) MODEL ACT.—The following requirements of the model Act:

''(I) Section 6C (relating to preexisting conditions).

''(II) Section 6D (relating to prior hospitalization).

''(III) The provisions of section 8 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) MODEL PROVISIONS.—The terms 'model regulation' and 'model Act' mean the long-term care insurance model regulation, and the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of September 2000).

''(ii) COORDINATION.—Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

''(iii) DETERMINATION.—For purposes of this section and section 4980C, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.''.

(b) EXCISE TAX.—Paragraph (1) of section 4980C(c) (relating to requirements of model provisions) is amended to read as follows:

''(1) REQUIREMENTS OF MODEL PROVISIONS.—

''(A) MODEL REGULATION.—The following requirements of the model regulation must be met:

''(i) Section 9 (relating to required disclosure of rating practices to consumer).''

''(ii) Section 14 (relating to application forms and replacement coverage).

''(iii) Section 15 (relating to reporting requirements), except that the issuer shall also report at least annually the number of claims denied during the reporting period for each class of business (expressed as a percentage of claims denied), other than claims denied for failure to meet the waiting period or because of any applicable preexisting condition.

''(iv) Section 22 (relating to filing requirements for marketing).

''(v) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C, except that—

''(I) in addition to such requirements, no person shall, in selling or offering to sell a qualified long-term care insurance contract, misrepresent a material fact; and

''(II) no such requirements shall include a requirement to inquire or identify whether a prospective applicant or enrollee for long-term care insurance has accident and sickness insurance.

''(vi) Section 24 (relating to suitability).

''(vii) Section 29 (relating to standard format outline of coverage).

''(viii) Section 30 (relating to requirement to deliver shopper's guide).

The requirements referred to in clause (vi) shall not include those portions of the personal worksheet described in Appendix B relating to consumer protection requirements not imposed by section 4980C or 7702B.

''(B) MODEL ACT.—The following requirements of the model Act must be met:

''(i) Section 6F (relating to right to return), except that such section shall also apply to denials of applications and any refund shall be made within 30 days of the return or denial.

''(ii) Section 6G (relating to outline of coverage).

''(iii) Section 6H (relating to requirements for certificates under group plans).

''(iv) Section 6I (relating to policy summary).

''(v) Section 6J (relating to monthly reports on accelerated death benefits).

''(vi) Section 7 (relating to incontestability period).

''(C) DEFINITIONS.—For purposes of this paragraph, the terms 'model regulation' and 'model Act' have the meanings given such terms by section 7702B(g)(2)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to policies issued more than 1 year after the date of the enactment of this Act.

SA 764. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, insert the following:

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(l)(1) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) is amended to read as follows: ''Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 765. Mr. REID (for himself, Mr. DORGAN, Mr. GRAHAM, Ms. STABENOW, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 314, after line 21, add the following:

SEC. . NEW GUARANTEED MINIMUM PRIMARY INSURANCE AMOUNT WHERE ELIGIBILITY ARISES DURING TRANSITIONAL PERIOD.

(a) IN GENERAL.—Section 215(a) of the Social Security Act (42 U.S.C. 415(a)) is amended—

(1) in paragraph (4)(B)—

(A) by inserting ''(with or without the application of paragraph (8))'' after ''would be made''; and

(B) in clause (i), by striking ''1984'' and inserting ''1989''; and

(2) by adding at the end the following:

''(8)(A) In the case of an individual described in paragraph (4)(B) (subject to subparagraphs (F) and (G) of this paragraph, the amount of the individual's primary insurance amount as computed or recomputed under paragraph (1) shall be deemed equal to the sum of—

''(i) such amount, and

''(ii) the applicable transitional increase amount (if any).

''(B) For purposes of subparagraph (A)(ii), the term 'applicable transitional increase amount' means, in the case of any individual, the product derived by multiplying—

''(i) the excess under former law, by

''(ii) the applicable percentage in relation to the year in which the individual becomes eligible for old-age insurance benefits, as determined by the following table:

"If the individual becomes eligible for such benefits in:	The applicable percentage is:
1979	55 percent
1980	45 percent
1981	35 percent
1982	32 percent
1983	25 percent
1984	20 percent
1985	16 percent
1986	10 percent
1987	3 percent
1988	5 percent.

''(C) For purposes of subparagraph (B), the term 'excess under former law' means, in the case of any individual, the excess of—

''(i) the applicable former law primary insurance amount, over

''(ii) the amount which would be such individual's primary insurance amount if computed or recomputed under this section without regard to this paragraph and paragraphs (4), (5), and (6).

''(D) For purposes of subparagraph (C)(i), the term 'applicable former law primary insurance amount' means, in the case of any individual, the amount which would be such individual's primary insurance amount if it were—

''(i) computed or recomputed (pursuant to paragraph (4)(B)(i)) under section 215(a) as in effect in December 1978, or

''(ii) computed or recomputed (pursuant to paragraph (4)(B)(ii)) as provided by subsection (d), (as applicable) and modified as provided by subparagraph (E).

''(E) In determining the amount which would be an individual's primary insurance amount as provided in subparagraph (D)—

''(i) subsection (b)(4) shall not apply;

''(ii) section 215(b) as in effect in December 1978 shall apply, except that section 215(b)(2)(C) (as then in effect) shall be deemed to provide that an individual's 'computation base years' may include only calendar years in the period after 1950 (or 1936 if applicable) and ending with the calendar year in which such individual attains age 61, plus the 3 calendar years after such period for which the total of such individual's wages and self-employment income is the largest; and

''(iii) subdivision (I) in the last sentence of paragraph (4) shall be applied as though the words 'without regard to any increases in that table' in such subdivision read 'including any increases in that table'.

''(F) This paragraph shall apply in the case of any individual only if such application results in a primary insurance amount for such individual that is greater than it would be if computed or recomputed under paragraph (4)(B) without regard to this paragraph.

''(G)(i) This paragraph shall apply in the case of any individual subject to any timely election to receive lump sum payments under this subparagraph.

''(ii) A written election to receive lump sum payments under this subparagraph, in lieu of the application of this paragraph to the computation of the primary insurance amount of an individual described in paragraph (4)(B), may be filed with the Commissioner of Social Security in such form and manner as shall be prescribed in regulations of the Commissioner. Any such election may be filed by such individual or, in the event of such individual's death before any such election is filed by such individual, by any other beneficiary entitled to benefits under section 202 on the basis of such individual's wages and self-employment income. Any such election filed after December 31 2001, shall be null and void and of no effect.

''(iii) Upon receipt by the Commissioner of a timely election filed by the individual described in paragraph (4)(B) in accordance with clause (ii)—

''(I) the Commissioner shall certify receipt of such election to the Secretary of the Treasury, and the Secretary of the Treasury, after receipt of such certification, shall pay such individual, from amounts in the Federal Old-Age and Survivors Insurance Trust Fund, a total amount equal to $5,000, in 4 annual lump sum installments of $1,250, the first of which shall be made during fiscal year 2002 not later than July 1, 2002, and

''(II) subparagraph (A) shall not apply in determining such individual's primary insurance amount.

''(iv) Upon receipt by the Commissioner as of December 31, 2001, of a timely election filed in accordance with clause (ii) by at least one beneficiary entitled to benefits on the basis of the wages and self-employment income of a deceased individual described in paragraph (4)(B), if such deceased individual has filed no timely election in accordance with clause (ii)—

''(I) the Commissioner shall certify receipt of all such elections received as of such date to the Secretary of the Treasury, and the Secretary of the Treasury, after receipt of such certification, shall pay each beneficiary filing such a timely election, from amounts in the Federal Old-Age and Survivors Insurance Trust Fund, a total amount equal to $5,000 (or, in the case of 2 or more such beneficiaries, such amount distributed evenly among such beneficiaries), in 4 equal annual lump sum installments, the first of which shall be made during fiscal year 2002 not later than July 1, 2002, and

''(II) solely for purposes of determining the amount of such beneficiary's benefits, subparagraph (A) shall be deemed not to apply in determining the deceased individual's primary insurance amount.''.

(b) EFFECTIVE DATE AND RELATED RULES.—

(1) APPLICABILITY OF AMENDMENTS.—

(A) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this Act shall be effective as though they had

been included or reflected in section 201 of the Social Security Amendments of 1977.

(B) APPLICABILITY.—No monthly benefit or primary insurance amount under title II of the Social Security Act shall be increased by reason of such amendments for any month before July 2002. The amendments made in this section shall apply with respect to benefits payable in months in any fiscal year after fiscal year 2005 only if the corresponding decrease in adjusted discretionary spending limits for budget authority and outlays under section 3 of this Act for fiscal years prior to fiscal year 2006 is extended by Federal law to such fiscal year after fiscal year 2005.

(2) RECOMPUTATION TO REFLECT BENEFIT INCREASES.—Notwithstanding section 215(f)(1) of the Social Security Act, the Commissioner of Social Security shall recompute the primary insurance amount so as to take into account the amendments made by this Act in any case in which—

(A) an individual is entitled to monthly insurance benefits under title II of such Act for June 2002; and

(B) such benefits are based on a primary insurance amount computed—

(i) under section 215 of such Act as in effect (by reason of the Social Security Amendments of 1977) after December 1978, or

(ii) under section 215 of such Act as in effect prior to January 1979 by reason of subsection (a)(4)(B) of such section (as amended by the Social Security Amendments of 1977).

(c) OFFSET PROVIDED BY PROJECTED FEDERAL BUDGET SURPLUSES.—Amounts offset by this section shall not be counted as direct spending for purposes of the budgetary limits provided in the congressional Budget Act of 1974 and the Balanced Budget and emergency Deficit Control Act of 1985.

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendment made by this section.

SA 766. Mr. NELSON of Florida (for himself and Mrs. BOXER) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 the concurrent resolution of the budget for fiscal year 2002; which was ordered to lie on the table;

On page 9, in the table between lines 11 and 12, strike ''38.6%'' and insert ''38.7%'', strike ''37.6%'' and insert ''37.7%'', and strike (in the line which begins ''2007 and thereafter'') ''36%'' and insert ''36.1%''.

On page 314, after line 21, add the following:

SEC. ___. TAX-EXEMPT BOND AUTHORITY FOR TREATMENT FACILITIES REDUCING ARSENIC LEVELS IN DRINKING WATER.

(a) IN GENERAL.—Section 142(e) (relating to facilities for the furnishing of water) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(2) by striking ''For purposes'' and inserting the following:

''(1) IN GENERAL.—For purposes'', and

(3) by adding at the end the following:

''(2) FACILITIES REDUCING ARSENIC LEVELS INCLUDED.—Such term includes improvements to facilities in order to comply with the 10 parts per billion arsenic standard recommended by the National Academy of Sciences.''.

(b) FACILITIES NOT SUBJECT TO STATE CAP.—Section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''and'' at the end of paragraph (3),

(2) by striking the period at the end of paragraph (4) and inserting '', and'', and

(3) by inserting after paragraph (4), the following new paragraph:

''(5) any exempt facility bond issued as part of an issue described in section 142(a)(4) (relating to facilities for the furnishing of water), but only to the extent the property to be financed by the net proceeds of the issue is described in section 142(e)(2).''.

(c) EXEMPT FROM AMT.—Section 57(a)(5)(C) (relating to tax-exempt interest of specified private activity bonds) is amended by adding at the end the following new clause:

''(v) EXCEPTION FOR CERTAIN WATER FACILITY BONDS.—For purposes of clause (i), the term 'private activity bond' shall not include any exempt facility bond issued as part of an issue described in section 142(a)(4) (relating to facilities for the furnishing of water), but only to the extent the property to be financed by the net proceeds of the issue is described in section 142(e)(2).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SA 767. Mrs. BOXER (for herself and Mr. NELSON of Florida) proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 314, after line 21, add the following:

SEC. ___. TAX-EXEMPT BOND AUTHORITY FOR TREATMENT FACILITIES REDUCING ARSENIC LEVELS IN DRINKING WATER.

(a) IN GENERAL.—Section 142(e) (relating to facilities for the furnishing of water) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(2) by striking ''For purposes'' and inserting the following:

''(1) IN GENERAL.—For purposes'', and

(3) by adding at the end the following:

''(2) FACILITIES REDUCING ARSENIC LEVELS INCLUDED.—Such term includes improvements to facilities in order to comply with the 10 parts per billion arsenic standard recommended by the National Academy of Sciences.''.

(b) FACILITIES NOT SUBJECT TO STATE CAP.—Section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''and'' at the end of paragraph (3),

(2) by striking the period at the end of paragraph (4) and inserting '', and'', and

(3) by inserting after paragraph (4), the following new paragraph:

''(5) any exempt facility bond issued as part of an issue described in section 142(a)(4) (relating to facilities for the furnishing of water), but only to the extent the property to be financed by the net proceeds of the issue is described in section 142(e)(2).''.

(c) EXEMPT FROM AMT.—Section 57(a)(5)(C) (relating to tax-exempt interest of specified private activity bonds) is amended by adding at the end the following new clause:

''(v) EXCEPTION FOR CERTAIN WATER FACILITY BONDS.—For purposes of clause (i), the term 'private activity bond' shall not include any exempt facility bond issued as part of an issue described in section 142(a)(4) (relating to facilities for the furnishing of water), but only to the extent the property to be financed by the net proceeds of the issue is described in section 142(e)(2).''.

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the highest rate of tax under section 1 of the Internal Revenue Code of 1986 (as amended by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SA 768. Mr. DASCHLE proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 9, in the matter between lines 11 and 12, strike ''37.6%'' in the item relating to 2005 and 2006 and insert ''38.6%'' and strike ''36%'' in the item relating to 2007 and thereafter and insert ''38.6%''.

On page 13, between lines 15 and 16, insert:

SEC. 104. INCREASE IN MAXIMUM TAXABLE INCOME FOR 15 PERCENT RATE BRACKET.

(a) IN GENERAL.—Section 1(f) (relating to adjustments in tax tables so that inflation will not result in tax increases), as amended by section 302, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D),

(B) by inserting after subparagraph (A) the following:

''(B) in the case of the tables contained in subsections (a), (b), (c), and (d), by increasing the maximum taxable income level for the 15 percent rate bracket and the minimum taxable income level for the next highest rate bracket otherwise determined under subparagraph (A) (after application of paragraph (8)) for taxable years beginning in any calendar year after 2004, by the applicable dollar amount for such calendar year,'', and

(C) by striking ''subparagraph (A)'' in subparagraph (C) (as so redesignated) and inserting ''subparagraphs (A) and (B)'', and

(2) by adding at the end the following:

''(9) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (2)(B), the applicable dollar amount for any calendar year shall be determined as follows:

''(A) JOINT RETURNS AND SURVIVING SPOUSES.—In the case of the table contained in subsection (a)—

''Calendar year:	Applicable Dollar Amount:
2005	$1,000
2006	$2,000
2007	$3,000
2008	$4,000
2009 and thereafter	$5,000.

''(B) OTHER TABLES.—In the case of the table contained in subsection (b), (c), or (d)—

''Calendar year:	Applicable Dollar Amount:
2005	$500
2006	$1,000
2007	$1,500
2005	$2,000
2009 and thereafter	$2,500.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect one day after the date of the enactment of this Act.

SA 769. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . CIRCUIT BREAKER.

(a) IN GENERAL.—In any fiscal year beginning with fiscal year 2004, if the level of debt held by the public at the end of that fiscal year (as projected by the Office of Management and Budget sequestration update report on August 20th preceeding the beginning of that fiscal year) would exceed the level of debt held by the public for that fiscal year set forth in the concurrent resolution on the budget for fiscal year 2002 (H. Con. Res. 83, 107th Congress), any Member of Congress may move to proceed to a bill that would make changes in law to reduce discretionary spending and direct spending (except for changes in Social Security, Medicare and COLA's) and increase revenues in a manner that would reduce the debt held by the public for the fiscal year to a level not exceeding the level provided in that concurrent resolution for that fiscal year. The motion to proceed shall be voted on at the end of 4 hours of debate.

(b) CONSIDERATION OF LEGISLATION.—A bill considered under subsection (a) shall be considered as provided in section 310(e) of the Congressional Budget Act of 1974 (2 U.S.C. 641(e)).

(c) PROCEDURE.—It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report, pursuant to this section, that contains any provisions other than those enumerated in section 310(a)(1) and 310(a)(2) of the Congressional Budget Act of 1974. This point of order may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members duly chosen and sworn. An affirmative vote of three-fifths of the Members duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this paragraph.

SA 770. Mr. LEVIN proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

Beginning on page 68, strike line 12 and all that follows through page 70, line 19, and insert the following:

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

"In the case of estates of decedents dying during:	The applicable exclusion amount is:
2002 through 2010	$4,000,000.''.

(b) LIFETIME GIFT EXEMPTION INCREASED TO $1,000,000.—

(1) FOR PERIODS BEFORE ESTATE TAX REPEAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by inserting ''(determined as if the applicable exclusion amount were $1,000,000)'' after ''calendar year''.

(2) FOR PERIODS AFTER ESTATE TAX REPEAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax), as amended by paragraph (1), is amended to read as follows:

''(1) the amount of the tentative tax which would be determined under the rate schedule set forth in section 2502(a)(2) if the amount with respect to which such tentative tax is to be computed were $1,000,000, reduced by''.

(c) GST EXEMPTION.—

(1) IN GENERAL.—Subsection (a) of 2631 (relating to GST exemption) is amended by striking ''of $1,000,000'' and inserting ''amount''.

(2) EXEMPTION AMOUNT.—Subsection (c) of section 2631 is amended to read as follows:

''(c) GST EXEMPTION AMOUNT.—For purposes of subsection (a), the GST exemption amount for any calendar year shall be equal to the applicable exclusion amount under section 2010(c) for such calendar year.''.

(d) REPEAL OF SPECIAL BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.—

(1) IN GENERAL.—Section 2057 is hereby repealed.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (10) of section 2031(c) is amended by inserting ''(as in effect on the day before the date of the enactment of this parenthetical)'' before the period.

(B) The table of sections for part IV of subchapter A of chapter 11 is amended by striking the item relating to section 2057.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying and gifts and generation-skipping transfers made after December 31, 2001.

(2) SUBSECTION (b)(2).—The amendments made by subsection (b)(2) shall apply to gifts made after December 31, 2010.

(f) REVENUE OFFSET.—The reductions in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, are eliminated to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section as compared to the amendments made by section 521 of the Restoring Earnings To Lift Individuals and Empower Families (RELIEF) Act of 2001 as reported by the Finance Committee of the Senate on May 16, 2001.

SA 771. Mr. LEVIN proposed an amendment to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; as follows:

On page 314, after line 21, add the following:

SEC. ___. ACCELERATION OF FULL IMPLEMENTATION OF TUTITION DEDUCTION AND REPEAL OF TERMINATION.

(a) DEDUCTION FOR HIGHER EDUCATION EXPENSES.—

(1) MAXIMUM AMOUNT OF DEDUCTION.—Section 222(b)(2) (relating to applicable dollar amount), as added by section 431(a) of this Act, is amended to read as follows:

''(2) APPLICABLE DOLLAR LIMIT.—

''(A) IN GENERAL.—The applicable dollar limit shall be equal to—

''(i) in the case of a taxpayer whose adjusted gross income for the taxable year does not exceed $65,000 ($130,000 in the case of a joint return), $5,000,

''(ii) in the case of a taxpayer not described in clause (i) whose adjusted gross income for the taxable year does not exceed $80,000 ($160,000 in the case of a joint return), $2,000, and

''(iii) in the case of any other taxpayer, zero.

''(B) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income shall be determined—

''(i) without regard to this section and sections 911, 931, and 933, and

''(ii) after application of sections 86, 135, 137, 219, 221, and 469.''.

(2) REPEAL OF TERMINATION.—Section 222(e) (relating to termination), as added by section 431(a) of this Act, is repealed.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

(c) REVENUE OFFSET.—The reductions in 2005 and 2007 in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, are eliminated to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section.

SA 772. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, insert the following:

SEC. 803. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

(a) RESTORATION OF PRIOR LAW FORMULA.—Subsection (a) of section 86 is amended to read as follows:

''(a) IN GENERAL.—Gross income for the taxable year of any taxpayer described in subsection (b) (notwithstanding section 207 of the Social Security Act) includes social security benefits in an amount equal to the lesser of—

''(1) one-half of the social security benefits received during the taxable year, or

''(2) one-half of the excess described in subsection (b)(1).''

(b) REPEAL OF ADJUSTED BASE AMOUNT.—Subsection (c) of section 86 is amended to read as follows:

''(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means—

''(1) except as otherwise provided in this subsection, $25,000,

''(2) $32,000 in the case of a joint return, and

''(3) zero in the case of a taxpayer who—

''(A) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

''(B) does not live apart from his spouse at all times during the taxable year.''

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 871(a)(3) is amended by striking ''85 percent'' and inserting ''50 percent''.

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98–21) is amended—

(i) by striking ''(A) There'' and inserting ''There'';

(ii) by striking ''(i)'' immediately following ''amounts equivalent to''; and

(iii) by striking '', less (ii)'' and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)''.

(d) MAINTENANCE OF TRANSFERS TO HOSPITAL INSURANCE TRUST FUND.—

(1) APPROPRIATION.—There are hereby appropriated to the Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the reduction in revenues to the Treasury by reason of the enactment of this section.

(2) TRANSFER.—Amounts appropriated under paragraph (1) shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had this section not been enacted.

(e) REVENUE OFFSET.—The Secretary of the Treasury shall adjust each of the corresponding percentages for the 39.6% rate which are contained in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986 (as added by section 101 of this Act) to the extent necessary to offset in each fiscal year beginning before October 1, 2011, the decrease in revenues to the Treasury for that fiscal year resulting from the amendments made by this section.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (c)(1).—The amendment made by subsection (c)(1) shall apply to benefits paid after December 31, 2000.

(3) SUBSECTION (c)(2).—The amendments made by subsection (c)(2) shall apply to tax liabilities for taxable years beginning after December 31, 2000.

SA 773. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. ___. COMMUTER BENEFITS EQUITY.

(a) UNIFORM DOLLAR LIMITATION FOR ALL TYPES OF TRANSPORTATION FRINGE BENEFITS.—

(1) IN GENERAL.—Subparagraph (A) of section 132(f)(2) (relating to limitation on exclusion) is amended by striking ''$65'' and inserting ''$175''.

(2) CONFORMING AMENDMENT.—Section 9010 of the Transportation Equity Act for the 21st Century is amended by striking subsection (c).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2001.

(b) CLARIFICATION OF FEDERAL EMPLOYEE BENEFITS.—Section 7905 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C) by inserting ''and'' after the semicolon;

(B) in paragraph (3) by striking ''; and'' and inserting a period; and

(C) by striking paragraph (4); and

(2) in subsection (b)(2)(A), by amending subparagraph (A) to read as follows:

''(A) a qualified transportation fringe as defined in section 132(f)(1) of the Internal Revenue Code of 1986;''.

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section.

SA 774. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. ___. 5-YEAR EXTENSION OF CERTAIN EXPIRING PROVISIONS.

(a) FIVE-YEAR EXTENSION OF CERTAIN EXPIRING PROVISIONS.—

(1) ADOPTION CREDITS.—

(A) CHILDREN WITHOUT SPECIAL NEEDS.—Section 23(d)(2)(B) (defining eligible child) is amended by striking ''2001'' and inserting ''2006''.

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(f) (relating to termination) is amended by striking ''2001'' and inserting ''2006''.

(2) NONREFUNDABLE PERSONAL CREDITS UNDER AMT.—So much of section 26(a)(2) as precedes subparagraph (A) is amended to read as follows:

''(2) SPECIAL RULE FOR CALENDAR YEARS 2000 THROUGH 2006.—For purposes of any taxable year beginning during calendar years 2000 through 2006, the aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—''.

(3) WORK OPPORTUNITY CREDIT.—

(A) TEMPORARY EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2001'' and inserting ''2006''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to individuals who begin work for the employer after December 31, 2001.

(4) WELFARE-TO-WORK CREDIT.—

(A) TEMPORARY EXTENSION.—Section 51A(f) (relating to termination) is amended by striking ''2001'' and inserting ''2006''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to individuals who begin work for the employer after December 31, 2001.

(5) ELECTRICITY FROM CERTAIN RENEWABLE RESOURCES.—Subparagraphs (A), (B), and (C) of section 45(c)(3) (defining qualified facility) are each amended by striking ''2002'' and inserting ''2007''.

(6) DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.—Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 is amended by striking ''January 1, 2002'' and inserting ''January 1, 2007''.

(7) QUALIFIED ZONE ACADEMY BOND PROGRAM.—Section 1397E(e)(1) (relating to national limitation) is amended by striking ''1998, 1999, 2000, and 2001'' and inserting ''each of years 1998 through 2006''.

(8) EMPLOYER PROVIDED EDUCATIONAL ASSISTANCE.—Section 127(d) (relating to termination) is amended by striking ''2001'' and inserting ''2006''.

(9) INCOME LIMIT FOR PERCENTAGE DEPLETION.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2007''.

(10) SUBPART F EXEMPTION.—

(A) TEMPORARY EXTENSION.—Section 953(e)(10) is amended—

(i) by striking ''January 1, 2002'' and inserting ''January 1, 2007'', and

(ii) by striking ''December 31, 2001'' and inserting ''December 31, 2006''.

(B) CONFORMING AMENDMENT.—Section 954(h)(9) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2007''.

(11) PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.—

(A) TEMPORARY EXTENSION.—Subsection (f) of section 9812 is amended by striking ''on or after September 30, 2001'' and inserting ''after September 30, 2006''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to benefits for services furnished after September 30, 2001.

(12) PHASEOUT OF DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.—

(A) TEMPORARY EXTENSION OF PHASEOUT.—Subsection (b)(1)(B) of section 179A is amended—

(i) in the matter preceding clause (i), by striking ''December 31, 2001' and inserting ''December 31, 2006'',

(ii) in clause (i), by striking ''2002'' and inserting ''2007'',

(iii) in clause (ii), by striking ''2003'' and inserting ''2008'', and

(iv) in clause (iii), by striking ''2004'' and inserting ''2009''.

(B) EXTENSION OF TERMINATION DATE.—Section 179A(f) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2009''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to property placed in service after December 31, 2001.

(13) PHASEOUT OF CREDIT FOR ELECTRIC VEHICLES.—

(A) TEMPORARY EXTENSION OF PHASE OUT.—Section 30(b)(2) is amended—

(i) in the matter preceding subparagraph (A), by striking ''December 31, 2001'' and inserting ''December 31, 2006'',

(ii) in subparagraph (A), by striking ''2002'' and inserting ''2007'',

(iii) in subparagraph (B), by striking ''2003'' and inserting ''2008'', and

(iv) in subparagraph (C), by striking ''2004'' and inserting ''2009''.

(B) EXTENSION OF TERMINATION DATE.—Section 30(e) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2009''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to property placed in service after December 31, 2001.

(14) GENERALIZED SYSTEM OF PREFERENCES.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2006''.

(15) ANDEAN TRADE PREFERENCE.—Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

''(b) TERMINATION OF DUTY-FREE TREATMENT.—No duty-free treatment extended to beneficiary countries under this title shall remain in effect after December 31, 2006.''.

(16) TEMPORARY INCREASE IN AMOUNT OF RUM EXCISE TAX COVERED OVER TO PUERTO RICO AND VIRGIN ISLANDS.—Section 7652(f)(1) (relating to limitation on cover over of tax on distilled spirits) is amended to read as follows:

''(1) $10.50 ($13.25 in the case of distilled spirits brought into the United States after June 30, 1999, and before January 1, 2007), or''.

(b) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

(c) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section.

SA 775. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, in the table between lines 11 and 12, strike ''36%'' and insert ''37%''.

On page 54, between lines 4 and 5, insert the following:

''(C) 2006 THROUGH 2011.—

''(i) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010,

or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

''(ii) APPLICABLE DOLLAR AMOUNT.—

''Taxable year beginning in:	Applicable dollar amount:
2006 or 2007	$10,000
2008, 2009, 2010, or 2011	$12,000.

''(iii) AMOUNT OF REDUCTION.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the applicable dollar amount determined in the table contained in clause (ii) for such taxable year as—

''(I) the excess of—

''(aa) the taxpayer's adjusted gross income for such taxable year, over

''(bb) $65,000 ($90,000 in the case of return filed by a head of household (as defined in section 2(b)), and $130,000 in the case of a joint return), bears to

''(II) $10,000 ($20,000 in the case of a joint return).

On page 59, line 3, strike ''$500'' and insert ''$1,000''.

SA 776. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 54, between lines 4 and 5, insert the following:

''(C) 2006 THROUGH 2011.—

''(i) IN GENERAL.—In the case of a taxable year beginning in 2006, 2007, 2008, 2009, 2010, or 2011, the applicable dollar amount shall be equal to the applicable dollar amount determined in the table contained in clause (ii), reduced (but not below zero) by the amount determined under clause (iii).

''(ii) APPLICABLE DOLLAR AMOUNT.—

''Taxable year beginning in:	Applicable dollar amount:
2006	$10,000
2007	10,000
2008	12,000
2009	12,000
2010	12,000
2011	12,000.

''(iii) AMOUNT OF REDUCTION.—The amount determined under this clause for any taxable year is the amount which bears the same ratio to the applicable dollar amount determined in the table contained in clause (ii) for such taxable year as—

''(I) the excess of—

''(aa) the taxpayer's adjusted gross income for such taxable year, over

''(bb) $65,000 ($90,000 in the case of return filed by a head of household (as defined in section 2(b)), and $130,000 in the case of a joint return), bears to

''(II) $10,000 ($20,000 in the case of a joint return).

On page 59, line 3, strike ''$500'' and insert ''$1,000''.

SA 777. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. ___. INDIVIDUAL ALTERNATIVE MINIMUM TAX INDEXING; EXTENSION OF CERTAIN EXPIRING PROVISIONS.

(a) ALTERNATIVE MINIMUM TAX RELIEF.—Section 701(a) of this Act is amended to read as follows:

(a) IN GENERAL.—Section 55(d) (relating to exemption amount) is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2000, the dollar amounts referred to in paragraph (1) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '1999' for '1992'.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.''.

(b) ONE-YEAR EXTENSION OF CERTAIN EXPIRING PROVISIONS.—

(1) ADOPTION CREDITS.—

(A) CHILDREN WITHOUT SPECIAL NEEDS.—Section 23(d)(2)(B) (defining eligible child) is amended by striking ''2001'' and inserting ''2002''.

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(f) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(2) NONREFUNDABLE PERSONAL CREDITS UNDER AMT.—So much of section 26(a)(2) as precedes subparagraph (A) is amended to read as follows:

''(2) SPECIAL RULE FOR 2000, 2001, AND 2002.—For purposes of any taxable year beginning during 2000, 2001, or 2002, the aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—''.

(3) WORK OPPORTUNITY CREDIT.—

(A) TEMPORARY EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to individuals who begin work for the employer after December 31, 2001.

(4) WELFARE-TO-WORK CREDIT.—

(A) TEMPORARY EXTENSION.—Section 51A(f) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to individuals who begin work for the employer after December 31, 2001.

(5) ELECTRICITY FROM CERTAIN RENEWABLE RESOURCES.—Subparagraphs (A), (B), and (C) of section 45(c)(3) (defining qualified facility) are each amended by striking ''2002'' and inserting ''2003''.

(6) DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.—Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(7) QUALIFIED ZONE ACADEMY BOND PROGRAM.—Section 1397E(e)(1) (relating to national limitation) is amended by striking ''and 2001'' and inserting ''2001, and 2002''.

(8) EMPLOYER PROVIDED EDUCATIONAL ASSISTANCE.—Section 127(d) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(9) INCOME LIMIT FOR PERCENTAGE DEPLETION.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(10) SUBPART F EXEMPTION.—

(A) TEMPORARY EXTENSION.—Section 953(e)(10) is amended—

(i) by striking ''January 1, 2002'' and inserting ''January 1, 2003'', and

(ii) by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(B) CONFORMING AMENDMENT.—Section 954(h)(9) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(11) PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.—

(A) TEMPORARY EXTENSION.—Subsection (f) of section 9812 is amended by striking ''on or after September 30, 2001'' and inserting ''after September 30, 2002''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to benefits for services furnished after September 30, 2001.

(12) PHASEOUT OF DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.—

(A) TEMPORARY EXTENSION OF PHASEOUT.—Subsection (b)(1)(B) of section 179A is amended—

(i) in the matter preceding clause (i), by striking ''December 31, 2001' and inserting ''December 31, 2002'',

(ii) in clause (i), by striking ''2002'' and inserting ''2003'',

(iii) in clause (ii), by striking ''2003'' and inserting ''2004'', and

(iv) in clause (iii), by striking ''2004'' and inserting ''2005''.

(B) EXTENSION OF TERMINATION DATE.—Section 179A(f) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to property placed in service after December 31, 2001.

(13) PHASEOUT OF CREDIT FOR ELECTRIC VEHICLES.—

(A) TEMPORARY EXTENSION OF PHASE OUT.—Section 30(b)(2) is amended—

(i) in the matter preceding subparagraph (A), by striking ''December 31, 2001'' and inserting ''December 31, 2002'',

(ii) in subparagraph (A), by striking ''2002'' and inserting ''2003'',

(iii) in subparagraph (B), by striking ''2003'' and inserting ''2004'', and

(iv) in subparagraph (C), by striking ''2004'' and inserting ''2005''.

(B) EXTENSION OF TERMINATION DATE.—Section 30(e) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(C) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to property placed in service after December 31, 2001.

(14) GENERALIZED SYSTEM OF PREFERENCES.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2002''.

(15) ANDEAN TRADE PREFERENCE.—Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

''(b) TERMINATION OF DUTY-FREE TREATMENT.—No duty-free treatment extended to beneficiary countries under this title shall remain in effect after December 31, 2002.''.

(16) TEMPORARY INCREASE IN AMOUNT OF RUM EXCISE TAX COVERED OVER TO PUERTO RICO AND VIRGIN ISLANDS.—Section 7652(f)(1) (relating to limitation on cover over of tax on distilled spirits) is amended to read as follows:

''(1) $10.50 ($13.25 in the case of distilled spirits brought into the United States after June 30, 1999, and before January 1, 2003), or''.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the

highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section.

SA 778. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, add the following:

SEC. EXTENSION OF CERTAIN EXPIRING PROVISIONS.

(a) ONE-YEAR EXTENSION OF CERTAIN EXPIRING PROVISIONS.—

(1) ADOPTION CREDITS.—

(A) CHILDREN WITHOUT SPECIAL NEEDS.—Section 23(d)(2)(B) (defining eligible child) is amended by striking ''2001'' and inserting ''2002''.

(B) ADOPTION ASSISTANCE PROGRAMS.—Section 137(f) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(2) NONREFUNDABLE PERSONAL CREDITS UNDER AMT.—So much of section 26(a)(2) as precedes subparagraph (A) is amended to read as follows:

''(2) SPECIAL RULE FOR 2000, 2001, AND 2002.—For purposes of any taxable year beginning during 2000, 2001, or 2002, the aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—''.

(3) WORK OPPORTUNITY CREDIT.—

(A) TEMPORARY EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to individuals who begin work for the employer after December 31, 2001.

(4) WELFARE-TO-WORK CREDIT.—

(A) TEMPORARY EXTENSION.—Section 51A(f) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to individuals who begin work for the employer after December 31, 2001.

(5) ELECTRICITY FROM CERTAIN RENEWABLE RESOURCES.—Subparagraphs (A), (B), and (C) of section 45(c)(3) (defining qualified facility) are each amended by striking ''2002'' and inserting ''2003''.

(6) DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.—Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(7) QUALIFIED ZONE ACADEMY BOND PROGRAM.—Section 1397E(e)(1) (relating to national limitation) is amended by striking ''and 2001'' and inserting ''2001, and 2002''.

(8) EMPLOYER PROVIDED EDUCATIONAL ASSISTANCE.—Section 127(d) (relating to termination) is amended by striking ''2001'' and inserting ''2002''.

(9) INCOME LIMIT FOR PERCENTAGE DEPLETION.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(10) SUBPART F EXEMPTION.—

(A) TEMPORARY EXTENSION.—Section 953(e)(10) is amended—

(i) by striking ''January 1, 2002'' and inserting ''January 1, 2003'', and

(ii) by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

(B) CONFORMING AMENDMENT.—Section 954(h)(9) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(11) PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.—

(A) TEMPORARY EXTENSION.—Subsection (f) of section 9812 is amended by striking ''on or after September 30, 2001'' and inserting ''after September 30, 2002''.

(B) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to benefits for services furnished after September 30, 2001.

(12) PHASEOUT OF DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.—

(A) TEMPORARY EXTENSION OF PHASEOUT.—Subsection (b)(1)(B) of section 179A is amended—

(i) in the matter preceding clause (i), by striking ''December 31, 2001' and inserting ''December 31, 2002'',

(ii) in clause (i), by striking ''2002'' and inserting ''2003'',

(iii) in clause (ii), by striking ''2003'' and inserting ''2004'', and

(iv) in clause (iii), by striking ''2004'' and inserting ''2005''.

(B) EXTENSION OF TERMINATION DATE.—Section 179A(f) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to property placed in service after December 31, 2001.

(13) PHASEOUT OF CREDIT FOR ELECTRIC VEHICLES.—

(A) TEMPORARY EXTENSION OF PHASE OUT.—Section 30(b)(2) is amended—

(i) in the matter preceding subparagraph (A), by striking ''December 31, 2001'' and inserting ''December 31, 2002'',

(ii) in subparagraph (A), by striking ''2002'' and inserting ''2003'',

(iii) in subparagraph (B), by striking ''2003'' and inserting ''2004'', and

(iv) in subparagraph (C), by striking ''2004'' and inserting ''2005''.

(B) EXTENSION OF TERMINATION DATE.—Section 30(e) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(C) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to property placed in service after December 31, 2001.

(14) GENERALIZED SYSTEM OF PREFERENCES.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking ''September 30, 2001'' and inserting ''December 31, 2002''.

(15) ANDEAN TRADE PREFERENCE.—Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

''(b) TERMINATION OF DUTY-FREE TREATMENT.—No duty-free treatment extended to beneficiary countries under this title shall remain in effect after December 31, 2002.''.

(16) TEMPORARY INCREASE IN AMOUNT OF RUM EXCISE TAX COVERED OVER TO PUERTO RICO AND VIRGIN ISLANDS.—Section 7652(f)(1) (relating to limitation on cover over of tax on distilled spirits) is amended to read as follows:

''(1) $10.50 ($13.25 in the case of distilled spirits brought into the United States after June 30, 1999, and before January 1, 2003), or''.

(c) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) REVENUE OFFSET.—The Secretary of the Treasury shall adjust the reduction in the highest marginal tax rate in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986, as added by section 101(a) of this Act, as necessary to offset the decrease in revenues to the Treasury for each fiscal year resulting from the amendments made by this section.

SA 779. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 9, between lines 14 and 15, insert the following:

''(4) DELAY OF TOP RATE REDUCTION.—

''(A) IN GENERAL.—Notwithstanding paragraph (2), with respect to a calendar year, no percentage described in that paragraph shall be substituted for 39.6 percent until the requirement of subparagraph (B) is met.

''(B) FULLY FUNDING BASIC EDUCATION SERVICES.—The requirement of this paragraph is that legislation is enacted that appropriates funds for Title I of the Elementary and Secondary Education Act, as amended, at or above the levels that were authorized by the Senate when it passed Senate Amendment 365 (107th Congress; as offered by Senators Dodd and Collins), on a vote of 79 to 21 to provide Title I supports to 100 percent of economically disadvantaged children by 2011, rather than the 33% who are aided today under such title.''.

SA 780. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 314, after line 21, insert the following:

SEC. 803. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

(a) RESTORATION OF PRIOR LAW FORMULA.—Subsection (a) of section 86 is amended to read as follows:

''(a) IN GENERAL.—Gross income for the taxable year of any taxpayer described in subsection (b) (notwithstanding section 207 of the Social Security Act) includes social security benefits in an amount equal to the lesser of—

''(1) one-half of the social security benefits received during the taxable year, or

''(2) one-half of the excess described in subsection (b)(1).''

(b) REPEAL OF ADJUSTED BASE AMOUNT.—Subsection (c) of section 86 is amended to read as follows:

''(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means—

''(1) except as otherwise provided in this subsection, $25,000,

''(2) $32,000 in the case of a joint return, and

''(3) zero in the case of a taxpayer who—

''(A) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

''(B) does not live apart from his spouse at all times during the taxable year.''

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 871(a)(3) is amended by striking ''85 percent'' and inserting ''50 percent''.

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98–21) is amended—

(i) by striking ''(A) There'' and inserting ''There'';

(ii) by striking ''(i)'' immediately following ''amounts equivalent to''; and

(iii) by striking '', less (ii)'' and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)''.

(d) MAINTENANCE OF TRANSFERS TO HOSPITAL INSURANCE TRUST FUND.—

(1) APPROPRIATION.—There are hereby appropriated to the Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the reduction in revenues to the Treasury by reason of the enactment of this section.

(2) TRANSFER.—Amounts appropriated under paragraph (1) shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had this section not been enacted.

(e) REVENUE OFFSET.—Notwithstanding any other provision of this legislation, each of the corresponding percentages for the 39.6% rate which are contained in the table contained in section 1(i)(2) of the Internal Revenue Code of 1986 as added by section 101 of this Act shall remain at 39.6% for taxable years beginning before calendar year 2009. In calendar year 2009 and thereafter, they shall be 38.6%.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (c)(1).—The amendment made by subsection (c)(1) shall apply to benefits paid after December 31, 2000.

(3) SUBSECTION (c)(2).—The amendments made by subsection (c)(2) shall apply to tax liabilities for taxable years beginning after December 31, 2000.

SA 781. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002, as follows:

Strike the following sections of the bill: sections 501, 541, and 542.

SA 782. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

On page 280, line 25, strike ''one-participant'' and insert ''eligible''.

On page 281, line 5, strike ''ONE-PARTICPANT'' and insert ''ELIGIBLE''.

On page 281, line 7, strike ''one-participant'' and insert ''eligible''.

On page 281, strike lines 10 through 13 and insert the following:

(i) covered only an individual or an individual and the individual's spouse and such individual (or individual and spouse) wholly owned the trade or business (whether or not incorporated); or

On page 281, on lines 14 and 15, strike ''one or more partners (and their spouses)'' and insert ''the partners or the partners and their spouses''.

On page 281, line 24, strike ''the employer (and the employer's spouse)'' and insert ''the individuals described in subparagraph (A)(i)''.

Beginning on page 288, strike line 1 and all that follows through page 299, line 24, and insert the following:

Subtitle G—Other ERISA Provisions

SEC. 681. MISSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsection:

''(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.

''(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

''(1) TRANSFER TO CORPORATION.—The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant's benefits to the corporation upon termination of the plan.

''(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (4) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

''(A) to the corporation, or

''(B) to an entity other than the corporation or a plan described in paragraph (4)(B)(ii).

''(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

''(A) in a single sum (plus interest), or

''(B) in such other form as is specified in regulations of the corporation.

''(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

''(A) the plan is a pension plan (within the meaning of section 3(2))—

''(i) to which the provisions of this section do not apply (without regard to this subsection), and

''(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b), and

''(B) at the time the assets are to be distributed upon termination, the plan—

''(i) has missing participants, and

''(ii) has not provided for the transfer of assets to pay the benefits of all missing participants to another pension plan (within the meaning of section 3(2)).

''(5) CERTAIN PROVISIONS NOT TO APPLY.—Subsections (a)(1) and (a)(3) shall not apply to a plan described in paragraph (4).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made after final regulations implementing subsections (c) and (d) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)), respectively, are prescribed.

SEC. 682. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting ''other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined),'' after ''single-employer plan,'',

(2) in clause (iii), by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new clause:

''(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.''.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

''(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

''(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

''(II) In the case of a plan maintained by two or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 683. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW AND SMALL PLANS.

(a) NEW PLANS.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

''(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

''(I) 0 percent, for the first plan year.

''(II) 20 percent, for the second plan year.

''(III) 40 percent, for the third plan year.

''(IV) 60 percent, for the fourth plan year.

''(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.''.

(b) SMALL PLANS.—Paragraph (3) of section 4006(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)), as amended by section 682(b), is amended—

(1) by striking ''The'' in subparagraph (E)(i) and inserting ''Except as provided in subparagraph (G), the'', and

(2) by inserting after subparagraph (F) the following new subparagraph:

''(G)(i) In the case of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.

''(ii) For purposes of clause (i), whether an employer has 25 or fewer employees on the first day of the plan year is determined taking into consideration all of the employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by two or more contributing sponsors, the employees of all contributing sponsors and their controlled groups shall be aggregated for purposes of determining whether the 25-or-fewer-employees limitation has been satisfied.''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 684. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENT REFUNDS.

(a) IN GENERAL.—Section 4007(b) of the Employment Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended—

(1) by striking ''(b)'' and inserting ''(b)(1)'', and

(2) by inserting at the end the following new paragraph:

''(2) The corporation is authorized to pay, subject to regulations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to interest accruing for periods beginning not earlier than the date of the enactment of this Act.

SEC. 685. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

''(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(i) owns the entire interest in an unincorporated trade or business,

''(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

''(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

''(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

''(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

''(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.''.

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking ''section 4022(b)(5)'' and inserting ''section 4022(b)(5)(B)''.

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking ''(5)'' in paragraph (2) and inserting ''(4), (5),'', and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

''(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking ''as defined in section 4022(b)(6)'', and

(B) by adding at the end the following new subsection:

''(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(1) owns the entire interest in an unincorporated trade or business,

''(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

''(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).''.

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking ''section 4022(b)(6)'' and inserting ''section 4021(d)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on January 1, 2002.

SEC. 686. PERIODIC PENSION BENEFITS STATEMENTS.

(a) IN GENERAL.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025 (a)) is amended to read as follows:

''(a)(1) Except as provided in paragraph (2)—

''(A) the administrator of an individual account plan shall furnish a pension benefit statement—

''(i) to a plan participant at least once annually, and

''(ii) to a plan beneficiary upon written request, and

''(B) the administrator of a defined benefit plan shall furnish a pension benefit statement—

''(i) at least once every 3 years to each participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished to participants, and

''(ii) to a plan participant or plan beneficiary of the plan upon written request.

''(2) A pension benefit statement under paragraph (1)—

''(A) shall indicate, on the basis of the latest available information and reasonable estimates—

''(i) the total benefits accrued, and

''(ii) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable,

''(B) shall be written in a manner calculated to be understood by the average plan participant,

''(C) shall include a statement that the summary annual report is available upon request, and

''(D) may be provided in written, electronic, or other appropriate form.

''(3)(A) In the case of a defined benefit plan, the requirements of paragraph (1)(B)(i) shall be treated as met with respect to a participant if the administrator provides the participant at least once each year with notice of the availability of the pension benefit statement and the ways in which the participant may obtain such statement. Such notice shall be provided in written, electronic, or other appropriate form, and may be included with other communications to the participant if done in a manner reasonably designed to attract the attention of the participant.

''(B) The Secretary may provide that years in which no employee or former employee benefits (within the meaning of section 410(b) of the Internal Revenue Code of 1986) under the plan need not be taken into account in determining the 3-year period under paragraph (1)(B)(i).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by striking subsection (d).

(2) Section 105(b) of such Act (29 U.S.C. 1025(b)) is amended to read as follows:

''(b) In no case shall a participant or beneficiary of a plan be entitled to more than one statement described in subsection (a)(1)(A) or (a)(1)(B)(ii), whichever is applicable, in any 12-month period.''.

(c) MODEL STATEMENTS.—The Secretary of Labor shall develop a model benefit statement, written in a manner calculated to be understood by the average plan participant, that may be used by plan administrators in complying with the requirements of section 105 of the Employee Retirement Income Security Act of 1974.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan years beginning after December 31, 2001.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified by the date of the enactment of this Act, the amendments made by this section shall not apply, with respect to employees covered by any such agreement, for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of the enactment), or

(ii) January 1, 2002, or

(B) January 1, 2003.

SEC. 687. BENEFIT SUSPENSION NOTICE.

(a) MODIFICATION OF REGULATION.—The Secretary of Labor shall modify the regulation under section 203(a)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)(3)(B)) to provide that the notification required by such regulation—

(1) in the case of an employee who, after commencement of payment of benefits under the plan, returns to service for which benefit payments may be suspended under such section 203(a)(3)(B) shall be made during the first calendar month or payroll period in which the plan withholds payments, and

(2) in the case of any employee who is not described in paragraph (1)—

(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1024(b)), rather than in a separate notice, and

(B) need not include a copy of the relevant plan provisions.

(b) EFFECTIVE DATE.—The modification made under this section shall apply to plan years beginning after December 31, 2001.

SEC. 688. STUDIES.

(a) REPORT ON PENSION COVERAGE.—Not later than 5 years after the date of the enactment of this Act, the Secretary of the Treasury, jointly with the Secretary of Labor, shall submit a report to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate a report on the effect of the provisions of the Restoring Earnings to Lift Individuals and Empower Families Act of 2001 on pension coverage, including—

(1) any expansion of coverage for low- and middle-income workers;

(2) levels of pension benefits;

(3) quality of pension coverage;

(4) worker's access to and participation in plans; and

(5) retirement security.

(b) STUDY OF PRERETIREMENT USE OF BENEFITS.—

(1) IN GENERAL.—The Secretary of the Treasury, jointly with the Secretary of Labor, shall conduct a study of—

(A) current tax provisions allowing individuals to access individual retirement plans and qualified retirement plan benefits of such individual prior to retirement, including an analysis of—

(i) the extent of use of such current provisions by individuals; and

(ii) the extent to which such provisions undermine the goal of accumulating adequate resources for retirement; and

(B) the types of investment decisions made by individual retirement plan beneficiaries and participants in self-directed qualified retirement plans, including an analysis of—

(i) current restrictions on investments; and

(ii) the extent to which additional restrictions on investments would facilitate the accumulation of adequate income for retirement.

(2) REPORT.—Not later than January 1, 2003, the Secretary of the Treasury, jointly with the Secretary of Labor, shall submit a report to the Committee on Ways and Means and the Committee on Education and the Workforce of the House of Representatives and the Committee on Finance and the Committee on Health, Education, Labor and Pensions of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.

SEC. 689. ANNUAL REPORT DISSEMINATION.

(a) REPORT AVAILABLE THROUGH ELECTRONIC MEANS.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by adding at the end the following new sentence: ''The requirement to furnish information under the previous sentence shall be satisfied if the administrator makes such information reasonably available through electronic means or other new technology''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to reports for years beginning after December 31, 2000.

SEC. 690. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY.

(a) IMPOSITION AND AMOUNT OF PENALTY MADE DISCRETIONARY.—Section 502(l)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)(1)) is amended—

(1) by striking ''shall'' and inserting ''may'', and

(2) by striking ''equal to'' and inserting ''not greater than''.

(b) APPLICABLE RECOVERY AMOUNT.—Section 502(l)(2) of such Act (29 U.S.C. 1132(l)(2)) is amended to read as follows:

''(2) For purposes of paragraph (1), the term 'applicable recovery amount' means any amount which is recovered from any fiduciary or other person (or from any other person on behalf of any such fiduciary or other person) with respect to a breach or violation described in paragraph (1) on or after the 30th day following receipt by such fiduciary or other person of written notice from the Secretary of the violation, whether paid voluntarily or by order of a court in a judicial proceeding instituted by the Secretary under paragraph (2) or (5) of subsection (a). The Secretary may, in the Secretary's sole discretion, extend the 30-day period described in the preceding sentence.''.

(c) OTHER RULES.—Section 502(l) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(l)) is amended by adding at the end the following new paragraph:

''(5) A person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is jointly and severally liable for the applicable recovery amount on which the penalty is based.

''(6) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to any breach of fiduciary responsibility or other violation of part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 occurring on or after the date of enactment of this Act.

(2) TRANSITION RULE.—In applying the amendment made by subsection (b) (relating to applicable recovery amount), a breach or other violation occurring before the date of enactment of this Act which continues after the 180th day after such date (and which may have been discontinued at any time during its existence) shall be treated as having occurred after such date of enactment.

SEC. 690A. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—

(A) IN GENERAL.—Subparagraph (A) of section 417(a)(6) is amended by striking ''90-day'' and inserting ''180-day''.

(B) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute ''180 days'' for ''90 days'' each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(2) AMENDMENT OF ERISA.—Section 205(c)(7)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(7)(A)) is amended by striking ''90-day'' and inserting ''180-day''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1)(A) and (2) and the modifications required by paragraph (1)(B) shall apply to years beginning after December 31, 2001.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) MODEL STATEMENT.—The Secretary of the Treasury shall develop a model statement, written in a manner calculated to be understood by the average plan participant, regarding participants' rights to defer receipt of a distribution and the consequences of so doing, that may be used by plan administrators in complying with the requirements of this section.

(3) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

(c) DISCLOSURE OF OPTIONAL FORMS OF BENEFITS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 417(a)(3) (relating to plan to provide written explanation) is amended by adding at the end the following:

''(C) EXPLANATION OF OPTIONAL FORMS OF BENEFITS.—

''(i) IN GENERAL.—If—

''(I) a plan provides optional forms of benefits, and

''(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then each written explanation required to be provided under subparagraph (A) shall include the information described in clause (ii).

''(ii) INFORMATION.—A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant.''

(2) AMENDMENT OF ERISA.—Section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)) is amended by adding at the end the following:

''(C)(i) If—

''(I) a plan provides optional forms of benefits, and

''(II) the present values of such forms of benefits are not actuarially equivalent as of the annuity starting date,

then such plan shall include the information described in clause (ii) with each written explanation required to be provided under subparagraph (A).

''(ii) A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan

and the effect the participant's election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant.''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 690B. AMENDMENTS REGARDING NATIONAL SUMMIT ON RETIREMENT SAVINGS.

Section 517 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1147) is amended—

(1) in subsection (a), by striking ''2001 and 2005 on or after September 1 of each year involved'' and inserting ''2001 or 2002, and 2005 and 2009. Such Summit shall be convened in the calendar year 2001 or the first calendar quarter of 2002 and shall be convened on or after September 1 of each year thereafter'';

(2) in subsection (b), by adding at the end the following new sentence: ''To effectuate the purposes of this paragraph, the Secretary may enter into a cooperative agreement, pursuant to the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301 et seq.).'';

(3) in subsection (e)(2)—

(A) by striking ''Committee on Labor and Human Resources'' in subparagraph (D) and inserting ''Committee on Health, Education, Labor, and Pensions'';

(B) by striking subparagraph (F) and inserting the following:

''(F) the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the House of Representatives and the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the Senate;'';

(C) by redesignating subparagraph (G) as subparagraph (J); and

(D) by inserting after subparagraph (F) the following new subparagraphs:

''(G) the Chairman and Ranking Member of the Committee on Finance of the Senate;

''(H) the Chairman and Ranking Member of the Committee on Ways and Means of the House of Representatives;

''(I) the Chairman and Ranking Member of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce of the House of Representatives; and'';

(4) in subsection (e)(3)(A)—

(A) by striking ''There shall be no more than 200 additional participants.'' and inserting ''The participants in the National Summit shall also include additional participants appointed under this subparagraph.'';

(B) by striking ''one-half shall be appointed by the President,'' in clause (i) and inserting ''not more than 100 participants shall be appointed under this clause by the President,'', and by striking ''and'' at the end of clause (i);

(C) by striking ''one-half shall be appointed by the elected leaders of Congress'' in clause (ii) and inserting ''not more than 100 participants shall be appointed under this clause by the elected leaders of Congress'', and by striking the period at the end of clause (ii) and inserting ''; and''; and

(D) by adding at the end the following new clause:

''(iii) The President, in consultation with the elected leaders of Congress referred to in subsection (a), may appoint under this clause additional participants to the National Summit. The number of such additional participants appointed under this clause may not exceed the lesser of 3 percent of the total number of all additional participants appointed under this paragraph, or 10. Such additional participants shall be appointed from persons nominated by the organization referred to in subsection (b)(2) which is made up of private sector businesses and associations partnered with Government entities to promote long term financial security in retirement through savings and with which the Secretary is required thereunder to consult and cooperate and shall not be Federal, State, or local government employees.'';

(5) in subsection (f)(1)(C), by inserting '', no later than 90 days prior to the date of the commencement of the National Summit,'' after ''comment'' in paragraph (1)(C);

(6) in subsection (g), by inserting '', in consultation with the congressional leaders specified in subsection (e)(2),'' after ''report'';

(7) in subsection (i)—

(A) by striking ''1997'' in paragraph (1) and inserting ''2001''; and

(B) by adding at the end the following new paragraph:

''(3) RECEPTION AND REPRESENTATION AUTHORITY.—The Secretary is hereby granted reception and representation authority limited specifically to the events at the National Summit. The Secretary shall use any private contributions accepted in connection with the National Summit prior to using funds appropriated for purposes of the National Summit pursuant to this paragraph.

''(4) FUNDS AVAILABLE.—Of the funds appropriated to the Pension and Welfare Benefits Administration for fiscal year 2001, $500,000 shall remain available without fiscal year limitation through September 30, 2002, for the purpose of defraying the costs of the National Summit.''; and

(8) in subsection (k)—

(A) by striking ''shall'' and inserting ''may'' ; and

(B) by striking ''fiscal year 1998'' and inserting ''fiscal years 2001 or 2002, and 2005, and 2009''.

On page 310, strike lines 10 and 11 and insert the following:

Subtitle I—Plan Amendments

SEC. 692. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 or section 204(g) of the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this Act, or pursuant to any regulation issued under this Act, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2005.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting ''2007'' for ''2005''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan); and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(B) such plan or contract amendment applies retroactively for such period.

Subtitle J—Compliance With Congressional Budget Act

SA 783. Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle B of title IV add the following:

SEC. ___. EXCLUSION FROM INCOME OF CERTAIN AMOUNTS CONTRIBUTED TO COVERDELL EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 127 (relating to education assistance programs), as amended by section 411(a), is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

''(d) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTIONS.—

''(1) IN GENERAL.—Gross income of an employee shall not include amounts paid or incurred by the employer for a qualified Coverdell education savings account contribution on behalf of the employee.

''(2) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified Coverdell education savings account contribution' means an amount contributed pursuant to an educational assistance program described in subsection (b) by an employer to a Coverdell education savings account established and maintained for the benefit of an employee or the employee's spouse, or any lineal descendent of either.

''(B) DOLLAR LIMIT.—A contribution by an employer to a Coverdell education savings account shall not be treated as a qualified Coverdell education savings account contribution to the extent that the contribution, when added to prior contributions by the employer during the calendar year to Coverdell education savings accounts established and maintained for the same beneficiary, exceeds $500.

''(3) SPECIAL RULES.—

''(A) CONTRIBUTIONS NOT TREATED AS EDUCATIONAL ASSISTANCE IN DETERMINING MAXIMUM EXCLUSION.—For purposes of subsection (a)(2), qualified Coverdell education savings account contributions shall not be treated as educational assistance.

''(B) SELF-EMPLOYED NOT TREATED AS EMPLOYEE.—For purposes of this subsection, subsection (c)(2) shall not apply.

''(C) ADJUSTED GROSS INCOME PHASEOUT OF ACCOUNT CONTRIBUTION NOT APPLICABLE TO INDIVIDUAL EMPLOYERS.—The limitation under section 530(c) shall not apply to a qualified Coverdell education savings account contribution made by an employer who is an individual.

''(D) CONTRIBUTIONS NOT TREATED AS AN INVESTMENT IN THE CONTRACT.—For purposes of section 530(d), a qualified Coverdell education savings account contribution shall not be treated as an investment in the contract.''.

(E) FICA EXCLUSION.—For purposes of section 530(d), the exclusion from FICA taxes shall not apply.

(b) REPORTING REQUIREMENT.—Section 6051(a) (relating to receipts for employees) is

amended by striking ''and'' at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting '', and'', and by adding at the end the following new paragraph:

''(12) the amount of any qualified Coverdell education savings account contribution under section 127(d) with respect to such employee.''.

(c) CONFORMING AMENDMENT.—Section 221(e)(2)(A) is amended by inserting ''(other than under subsection (d) thereof)'' after ''section 127''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2001.

SA 784. Mr. HARKIN (for himself and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill H.R. 1836, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2002; which was ordered to lie on the table; as follows:

At the end of subtitle D of title IV, add the following:

SEC. ___. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED EMERGENCY RESPONSE EXPENSES OF ELIGIBLE EMERGENCY RESPONSE PROFESSIONALS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), as amended by this Act, is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

''SEC. 224. QUALIFIED EMERGENCY RESPONSE EXPENSES.

''(a) ALLOWANCE OF DEDUCTION.—In the case of an eligible emergency response professional, there shall be allowed as a deduction an amount equal to the qualified expenses paid or incurred by the taxpayer during the taxable year.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMERGENCY RESPONSE PROFESSIONAL.—The term 'eligible emergency response professional' includes—

''(A) a full-time employee of any police department or fire department which is organized and operated by a governmental entity to provide police protection, firefighting service, or emergency medical services for any area within the jurisdiction of such governmental entity,

''(B) an emergency medical technician licensed by a State who is employed by a State or non-profit to provide emergency medical services, and

''(C) a member of a volunteer fire department which is organized to provide firefighting or emergency medical services for any area within the jurisdiction of a governmental entity which is not provided with any other firefighting services.

''(2) GOVERNMENTAL ENTITY.—The term 'governmental entity' means a State (or political subdivision thereof), Indian tribal (or political subdivision thereof), or Federal government.

''(3) QUALIFIED EXPENSES.—The term 'qualified expenses' means unreimbursed expenses for police and firefighter activities, as determined by the Secretary.

''(c) DENIAL OF DOUBLE BENEFIT.—

''(1) IN GENERAL.—No other deduction or credit shall be allowed under this chapter for any amount taken into account for which a deduction is allowed under this section.

''(2) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.

''(d) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2006.''.

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) (relating to adjusted gross income defined), as amended by this Act, is amended by inserting after paragraph (19) the following new paragraph:

''(20) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—The deduction allowed by section 224.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 86(b)(2), 135(c)(4), 137(b)(3), and 219(g)(3), as amended by this Act, are each amended by inserting ''224,'' after ''221,''.

(2) Section 221(b)(2)(C), as amended by this Act, is amended by inserting ''224,'' before ''911''.

(3) Section 469(i)(3)(E), as amended by this Act, is amended by striking ''and 223'' and inserting '', 223, and 224''.

(4) The table of sections for part VII of subchapter B of chapter 1, as amended by this Act, is amended by striking the item relating to section 223 and inserting the following new items:

''Sec. 224. Qualified emergency response expenses.

''Sec. 225. Cross reference.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, May 22, at 1:30 p.m., in the President's Room, to conduct a full committee markup of the nominations of Ms. Mary Waters, Mr. J.B. Penn, Mr. Lou Gallegos, Mr. Eric Bost, and Mr. William Hawks for the U.S. Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 22, 2001, at 2 p.m., SD–419, to hold a hearing, as follows: Mr. Lorne W. Craner, of Virginia, to be Assistant Secretary of State for Democracy, Human Rights, and Labor, to be introduced by the Honorable JOHN MCCAIN (R–AZ); the Honorable Donald Burnham Ensenat, of Louisiana, to be Chief of Protocol, with Rank of Ambassador, to be introduced by the Honorable JOHN B. BREAUX (D–LA); Mr. Carl W. Ford, Jr., of Arkansas, to be Assistant Secretary of State for Intelligence and Research, to be introduced by the Honorable John Glenn (D–OH), former Member, U.S. Senate; the Honorable Ruth A. Davis, of Georgia, to be Director General of the Foreign Service; and Mr. Paul Vincent Kelly, of Virginia, to be Assistant Secretary of State for Legislative Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER AFFAIRS, FOREIGN COMMERCE AND TOURISM

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Consumer Affairs, Foreign Commerce and Tourism of the Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, May 22, 2001, at 2:30 p.m., on prescription drugs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Immigration be authorized to meet to conduct a hearing on Tuesday, May 22, 2001, at 2 p.m., in SD–226.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore and upon the recommendation of the Democratic leader, pursuant to Public Law 106–554, appoints the Senator from Massachusetts (Mr. KERRY) to the Board of Directors of the Vietnam Education Foundation.

The Chair, on behalf of the President pro tempore, upon the recommendation of the majority leader, pursuant to Public Law 105–292, as amended by Public Law 106–55, reappoints Michael K. Young, of Washington, D.C., to the United States Commission on International Religious Freedom.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRASSLEY. Mr. President, in executive session, I ask unanimous consent that the Senate proceed to the consideration of the following nominations: Nos. 43, 79, 80, 81, 82, 86, 89, 90, 91, 92, 93, 94, and 95.

In addition, I ask unanimous consent that the nomination of William Hansen (PN 274) be discharged from the HELP Committee and, further, that the Senate proceed to its consideration as well.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, and any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

DEPARTMENT OF STATE

Lincoln P. Bloomfield, Jr., of Virginia, to be an Assistant Secretary of State (Political-Military Affairs).