

victim persecuted for racial or religious reasons by Nazi Germany. Many of the provisions included in H.R. 1292 were included in the tax bill signed by President Bush last year, we are working to make these provisions permanent today.

In August 1998, after many years of effort, Holocaust survivors who had assets withheld by Swiss banks or others finally received justice through a \$1.25 billion settlement. These settlements continue to be distributed to Holocaust survivors and their heirs world-wide.

the settlements return assets to their rightful owners and their heirs more than 50 years after they were first entrusted to their care. Funds have been established by banks and corporations in France, Austria, Italy and Germany to return assets such as bank accounts and insurance policies to Holocaust survivors. With the enactment of the Economic Growth and Tax Relief Reconciliation Act last year, and with H.R. 4823, which we are considering today, we can ensure that any payment, from Swiss banks or other similar sources, will not be taxed. This is clearly the right thing to do because they are receiving back what was always theirs to begin with.

With the average age of Holocaust survivors at 80, the time left to debate these payments is slipping away. Certainly, these payments will make life more comfortable for these survivors in their remaining years. To tax them on these long overdue payments would simply be wrong.

Mr. Speaker, I encourage my colleagues to support this important legislation and I thank you for the opportunity to speak in favor of H.R. 4823.

H.R. 4823—HOLOCAUST RESTITUTION TAX FAIRNESS ACT OF 2002

H.R. 4823 will make permanent provisions in the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) that exclude from gross income any restitution payments received by victims of the Nazi Regime or their heirs or estates.

This bill is supported by Conference of Jewish Material Claims Against Germany (Claims Conference), Jewish Community Relations Council of Greater Miami (JCRC), American Jewish Committee (AJC), American Gathering of Jewish Holocaust Survivors, the Jewish Council for Public Affairs (JCPA), United Jewish Communities (UJC), the Religious Action Center of Reform Judaism (RAC) and International Commission on Holocaust Era Insurance.

These tax relief provisions expire or "sunset" on December 31, 2010. After that any restitution payments could be subject to federal taxation.

The sunset (i.e. expiration) of the tax provisions in EGTRRA creates significant risk and uncertainty for tax planning and other important personal decisions for victims of the Holocaust and their families.

HOLOCAUST RESTITUTION SETTLEMENTS

In recent years, settlement agreements worth billions of dollars have been reached to compensate Holocaust survivors. It is unknown what future agreements will occur but U.S. tax law should ensure that any and all future payments be excluded from federal taxation.

In addition, millions of dollars of restitution payments are made every year to thousands of survivors of the Holocaust in the form of monthly payments. If this tax provision is not made permanent, thousands of Holocaust survivors could lose over one-third of their restitution to the IRS when EGTRRA expires.

Holocaust survivors are an aging population but current estimates are that there will be 88,000 Jewish Holocaust survivors in 2010 and 37,000 in 2020. A large fraction of these survivors are receiving reparation payments. If this provision is not made permanent, those who suffered at the hands of the Nazis will be forced to share their modest payments with the government.

Not exempting this income from taxation is tantamount to the federal government "profiting" from restitution payments that are compensation for the pain and suffering of Holocaust survivors and their families.

INTERNATIONAL CONSIDERATION

The U.S. provision has served as a model for similar legislation in other countries. Specifically, the Russian government has studied and been influenced by the U.S. legislation when crafting a similar provision exempting Holocaust payments to Russian citizens.

Mrs. MALONEY of New York. Mr. Speaker, the United States has a long tradition of recognizing the importance of tax exemptions for the restitution of assets lost during World War II. The tradition began with military law 59 in 1947 and was continued by three treaties with Germany. While I voted against last year's H.R. 1836, I did support the provision exempting restitution payments for Holocaust survivors. That provision proves that the United States has retained its sensitivity to the extraordinary nature and penitent purpose of Holocaust restitution payments.

H.R. 4823 seeks to continue this proud tradition. This bill makes permanent the provision in H.R. 1836 excluding payments to Holocaust victims from taxable income. Without this bill, the exclusion for Holocaust restitution payments, like all aspects of H.R. 1836, will expire on December 31, 2010.

While no amount of money can truly compensate Holocaust survivors for the horrors they endured, in a world where Holocaust denial lives, it is crucial to make strong statements of support for Holocaust survivors. The increase over the past year of Anti-Semitic incidents in Europe makes it an especially important time to stand with those who refuse to condone Anti-Semitism.

Many of the restitution payments have maximum income qualifications. Therefore, much of the restitution goes to individuals with yearly incomes under \$20,000. Furthermore, according to the Jewish Council for Public Affairs, as many as 1.4 million people may receive claims, cutting the payments to individuals to a relatively small amount. For this money to have any real, rather than merely token, significance, the tax exemption must remain.

Australia, Canada, Finland, France, Greece, Hungary, The Netherlands, The United Kingdom, and Israel currently exempt restitution payments from taxation. So do 46 out of the 50 dates. The Federal government must continue to lead the way in supporting Holocaust Survivors. H.R. 4823 ensures that the support will not disappear in 2010.

Mr. CRANE. Mr. Speaker, I rise today in support of H.R. 4823. I am glad that we are moving forward to make permanent the provisions in the Economic Growth and Tax Relief Reconciliation Act.

The Holocaust was one of the worst atrocities committed by man against man. This simple provision will exclude compensatory payments made to victims and their heirs from taxation. Given the fact that an entire generation was nearly wiped out and that those who

survived will never fully recover from the emotional horrors of the Holocaust, this is a small way of compensating the victims. The current tax provisions are due to, "sunset," or expire on December 31, 2010. This instability makes it difficult for Holocaust victims and their families to plan their financial futures.

I find it deplorable to think that the Federal Government would seek to profit from restitution payments that are meant to compensate Holocaust victims and their families. These people have suffered enough. They must not be subjected to legislation that would rob them of over one-third of their rightful compensation.

Mr. Speaker, my brother-in-law and best friend, Andy Ross, survived the Holocaust. He was imprisoned in Belsen concentration camp until being freed by the Allied Forces. I'm not certain if he's eligible for compensation under the agreements worked out in Europe, and quite frankly, that doesn't really matter. What does matter is that while there is absolutely nothing we can do to ever erase the horrors of the Holocaust that are imbedded in the minds and hearts of those, like Andy, who survived this tragedy, we can avoid making it worse by taxing their compensation.

The thought of us promoting such a scheme as taxing these payments makes me absolutely ill.

Today, we are making a decision that might very well be the model for other nations. Therefore, I urge you, to be a role model and vote in favor of H.R. 4823.

Mr. CARDIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. SHAW) that the House suspend the rules and pass the bill, H.R. 4823.

The question was taken.

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

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

The yeas and nays were ordered.

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

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks and include extraneous material on the subject of H.R. 4823.

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

There was no objection.

REPEALING SUNSET OF ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001 WITH RESPECT TO EXPANSION OF CERTAIN ADOPTION PROGRAMS

Mr. CAMP. Mr. Speaker, I move to suspend the rules and pass the bill

(H.R. 4800) to repeal the sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001 with respect to the expansion of the adoption credit and adoption assistance programs.

The Clerk read as follows:

H.R. 4800

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

SECTION 1. REPEAL OF APPLICABILITY OF SUNSET OF THE ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001 WITH RESPECT TO ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by adding at the end the following new subsection:

“(c) EXCEPTION.—Subsection (a) shall not apply to the amendments made by section 202 (relating to expansion of adoption credit and adoption assistance programs).”.

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

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

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

Mr. Speaker, I rise today in support of H.R. 4800, a bill I introduced to make permanent the adoption tax credit of the Economic Growth and Tax Relief Act of 2001.

While the enactment of the Tax Relief Act was a monumental step forward for the families who wish to adopt and the children they will take home, the bill only completed half the job. The adoption provision of that bill limits the tax credit to 10 years. This temporary extension of the tax credit will cause uncertainty in adoption planning in years to come. By eliminating the 10-year limitation, we will make adoptions easier for all families for generations to come.

Currently there are more than half a million children in foster care, of which only 27,000 are adopted each year. This bill is vital for the protection and well-being of foster care children, a majority of whom are in protective custody due to neglect and abuse. We need to provide these children and future foster children where there is no hope of family reunification a permanent home and a safe environment in which to bond and grow with loving parents. With H.R. 4800 we will permanently put the health and safety of children first and give our Nation's foster children a fighting chance.

Many do not realize just how costly adoption can be. After paying legal fees, doctor bills and travel expenses, a family can easily incur expenses of up to \$20,000 or even more. We owe it to the thousands of waiting children to make adoption an option for all working families. By repealing the 10-year sunset enacted last year, Congress will make one of the most important events in a foster child's life and the life of his or her new family financially attainable.

If H.R. 4800 is not enacted, then beginning in 2011 the adoption tax credit will be cut overnight from a maximum of \$10,000 to \$5,000. Families who adopt special needs children will no longer receive a flat \$10,000 credit. Instead they will be limited to a maximum of \$6,000. The credit will no longer be permanent. It will have to be extended each year, causing uncertainty for families. Families claiming the credit may be pushed into the alternative minimum tax. The income caps will fall from \$150,000 in annual income to \$75,000 so that fewer families will be eligible for the credit. We cannot allow this credit to lapse.

Over half a million children are counting on us to finish the job we started over a year ago. Temporary is not an option for adoption and should not be for this tax credit either. I urge my colleagues to support this vital piece of legislation.

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

□ 1530

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

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, there is broad bipartisan support for assisting adoptive families in meeting their expenses. Helping families afford the cost of adopting children into loving homes is clearly a worthwhile policy, and targeted tax relief can help promote that goal. I, therefore, support this effort to eliminate the sunset provision in the current adoption tax credit.

I think the gentleman from Michigan (Mr. CAMP) has explained the substance of the removal of the sunset of last year's tax bill, which only was effective for 10 years. This removes that sunset in last year's tax bill. However, let me make two general points about the majority's effort to eliminate the expiration dates for specific provisions in last year's tax bill.

This is not the first, but there have been several efforts to remove the sunset provision, many of which have been supported on a bipartisan basis. My first point is that if the majority had agreed to a more modest and balanced tax bill that did not provide such a huge windfall to the wealthy, there would not have been a need for a sunset provision on such worthwhile tax changes, such as increasing the adoption tax credit. For example, by the year 2006, last year's tax bill would have spent \$44 billion to reduce taxes for individuals earning over \$200,000 a year while spending only \$8 billion for families earning \$30,000 and \$40,000 a year.

Second, Mr. Speaker, by bringing this bill up on the suspension calendar, the majority has prevented any Member from offering an amendment to offset the future cost of extending the adoption tax credit. There are bills now pending in Congress to stop companies

and individuals from evading U.S. taxes by transferring assets to foreign countries.

Such legislation could pay for the extension of the adoption tax credit and other provisions that we would like to pass to remove these sunsets in last year's tax legislation.

By preventing any consideration of budget offsets for today's bills and much more expensive legislation to be considered in the future, the majority will continue the trend of forcing our children to pay for our bills.

Before I conclude, I want to mention an important improvement in the adoption tax credit which I raised as an amendment in the committee consideration of the bill and was eventually included in the conference report. Starting next year, the adoption tax credit will provide a guaranteed \$10,000 tax credit for the adoption of special-needs children, who are classified as being more difficult to place for adoption because of certain factors including a physical, mental or emotional impairment.

This means the parents adopting special-needs children are not required to itemize qualified adoption expenses which are limited to court costs and attorneys' fees. Since State foster care programs cover most of these legal expenses, many adoptive families of special-needs children have had few qualified adoption expenses.

For this reason, only 15 percent of all special-needs adoptions received any benefit from the former adoption tax credit, despite the fact that these families may have other significant adoptive-related expenses, such as homes and vehicle modifications and out-of-pocket expenses.

The new enhanced adoption tax credit addresses these problems by providing a \$10,000 tax credit to families adopting special-needs children without any requirement that they itemize specific expenses.

Mr. Speaker, there are roughly 122,000 special-needs children now waiting to be adopted out of our Nation's foster care system. These are the children waiting in line to be adopted, whereas other healthy babies and young children have prospective parents waiting in line for them. I am glad that the adoption tax credit now recognizes that reality by providing some additional assistance to families adopting special-needs children.

By passing this legislation that is before us today, we make those provisions permanent. I urge my colleagues to support the legislation.

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

Mr. CAMP. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. SHAW), the former chairman of the Subcommittee on Human Resources.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time, and I would like to congratulate the gentleman from Michigan (Mr. CAMP).

In his former life as an attorney, he spent a lot of time placing kids out of foster care into loving homes, permanent homes.

There is nothing more important I think than to do everything we can to encourage adoption in this country. One of the saddest things that we can possibly see is a child who is not loved, a child that does not have a home to go to or the security of its own room within that particular home; and I applaud the gentleman. I applaud the bipartisanism that we are getting on this bill.

I do want to, however, correct one statement that my friend from Maryland made because otherwise he was very practical and very straightforward. The reason that this and the previous bill, Holocaust tax relief, the reason these two pieces of legislation as well as the entire tax bill that they were part of was sunsetted was because it was going over to the Senate on a budget reconciliation bill which required a straight up and down vote, and it was a question of the technicalities of the Byrd rule. The requirement was not put on permanent. It had nothing to do with the size of the entire bill.

So I do want to clarify that particular issue, but it is a rare moment and all too rare in matters pertaining to taxes that this House finds itself in total agreement.

Mr. CAMP. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. DEMINT).

Mr. DEMINT. Mr. Speaker, it gives me great joy to stand here today to celebrate the thousands of moms, dads, and children who have become bigger and stronger families because of adoption.

I introduced the Hope for Children Act last year, along with my colleagues on both sides of the aisle in the Hope Coalition, to ensure enactment of several important adoption provisions. The Hope for Children Act extended and doubled the adoption tax credit to \$10,000 for all adoptions. Additionally, the bill extended and doubled the tax exclusion allowed for employer-provided adoption benefits and included a \$10,000 flat credit for special-needs adoption, which has been mentioned.

The Hope for Children Act was included in the tax package signed into law by President Bush last year; but unfortunately, the Senate included a sunset provision in the new law to comply with the Senate procedural rules.

Without this bill today, H.R. 4800, the new adoption law will expire after December 31, 2010, and thousands of adoptive parents will see their taxes raised overnight. Mr. Speaker, that cannot happen; and that is why we must pass the legislation today.

One of the greatest titles in the world is that of parent, and one of the biggest blessings in life is to be called mom or dad. We hope this bill will help unite children with parents and build

strong, stable families in our country. This bill will guarantee tax relief for future generations of adoptive parents. I urge all my colleagues to support this bill.

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

I just want to explain that there is no question, I just want to underscore the points that my colleagues have been making, that the adoption credit, the expansion of the adoption credit and now making it permanent is a bipartisan effort. We think it is extremely important to encourage families to adopt children, particularly special-needs children. So this legislation is one that we look forward to the permanent enactment.

Going back though to the last year just one more time, I know my friend from Florida and I have talked about this frequently. There is no question that if the tax bill last year had not been \$1.35 trillion but more affordable to the fiscal condition of this country, and I think we have now seen with the large deficits that are being projected that our concerns expressed last year have become real, there is no question that if we had a more modest bill that was before us last year we would have made those provisions permanent last year, and we would have had the support of the other body. We would not have to worry about extraordinary votes in the other body, that we could have made all these provisions permanent, and we would not have been here this year piece by piece looking at specific provisions trying to remove the 10-year sunset.

When we work together as Democrats and Republicans, we usually come up with good policy. Today we are on the adoption credit. I regret that we did not do that in the past so we would not have to go through this exercise on a tax-provision-by-tax-provision basis.

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

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

Mr. Speaker, I want to thank the gentleman for support of this bill and this issue. We are both on the Committee on Ways and Means, and I know he has been working on this for some time, clearly with the special-needs adoption area; and this is a bipartisan effort.

I would just finally urge support of this bill and say that all provisions in the tax bill in 2001 were sunset, and this is one area where I think that there is general agreement that should become permanent, and it was all sunset because of the Senate rules which would have required 60 votes otherwise. So, on that, I urge support of the bill.

Mrs. MALONEY of New York. Mr. Speaker, I am honored to rise in support of H.R. 4800, a bill that would extend the \$10,000 adoption tax credit and the \$10,000 employer adoption assistance exclusion so that they are not subject to the sunset of the Economic Growth and Tax Relief Reconciliation Act of 2001.

This bill is a significant step toward ensuring that every child has a loving family. I am

proud to come to the floor in support of families who wish to bring another child into their lives.

Like many of my colleagues, children's issues and legislation that increases adoption are very important to me. I am honored to represent a pro-adoption constituency. New York has traditionally adopted at one of the highest rates in the country. Unfortunately, 134,000 children across the Nation are still waiting for homes. All parents are familiar with the rising costs of raising children. Too many potential parents resist adopting because of this substantial economic burden. It is imperative that we take additional steps to relieve this financial weight on these families.

Every Member of Congress is accustomed to lobbyists continually seeking tax benefits for specific special interests. Children in need of adoption have no high-priced lobbyists and no political action committees, so their voices often fail to be heard in today's Washington. I am pleased that this House will hear their voices today.

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

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Michigan (Mr. CAMP) that the House suspend the rules and pass the bill, H.R. 4800.

The question was taken.

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

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

The yeas and nays were ordered.

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

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of H.R. 4800, the bill just considered.

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

There was no objection.

ANNUAL REPORT OF THE COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity