as a judge advocate officer, including 1 year as chief of military justice at Da Nang Air Force Base in Vietnam.

Upon returning to civilian life, General Poythress remained in the Air Force Reserve, serving as a judge advocate officer in various positions of increasing responsibility. In 1991, General Poythress returned to active duty to oversee the reserve legal officers during Operation Desert Storm and Desert Shield. He was promoted to brigadier general in 1994, and to major general in July of 1999.

It was in 1999 that General Poythress took over as the adjutant general of the State of Georgia, where he has commanded 12,000 personnel of the Georgia Army National Guard, the Georgia Air National Guard, and the Georgia State Defense Force now for nearly a decade.

Mr. Speaker, in 2006, General Poythress became the first adjutant general in Georgia's 273-year history to wear a third star as a lieutenant general. And for the past 8 years, General Poythress has led Georgia's Guard through some historic changes, and our men and women have performed admirably under his leadership.

Not only has General Poythress made a major impact on our Nation's military, but he has also been an irreplaceable asset, Mr. Speaker, to the State of Georgia. General Poythress spent much of his civilian career in public service to the citizens of our great State. He served first as deputy state revenue commissioner, then secretary of the State of Georgia, and finally, commissioner of labor in Georgia. Needless to say, General Poythress's retirement will leave huge shoes to fill in the State of Georgia.

Over the past several years, Mr. Speaker, I have enjoyed getting to know General Poythress and his lovely wife, Elizabeth, as personal friends, and I appreciate their singular dedication to our Guardsmen.

Last year, Mr. Speaker, I even had the opportunity to travel to Iraq with the general, and we met with Georgia's 48th Brigade Combat Team. I know it must have been a joy for General Poythress to see his troops and General Rhodheaver serving our Nation so honorably, but also a painful time, as he remembered the 26 fallen soldiers from the 48th who were lost in some of the most dangerous combat in the Sunni Triangle outside of the city of Baghdad.

Through all of the struggles, including the difficult task of assisting Louisiana in the aftermath of Hurricane Katrina, General Poythress has led Georgia's Guard with the strength of a commander and the heart, Mr. Speaker, of a public servant.

And so I ask my colleagues tonight, join me in honoring Lieutenant General David Poythress for his dedicated service to defending the State of Georgia and the United States of America.

HONORING OUR VETERANS—VETERANS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

Ms. FOXX. Mr. Speaker, this coming week we will celebrate Veterans Day. As we remember the many who have given their lives in service to our Nation, I hope we pause not only to honor their memory, but also to express our gratitude for that which their sacrifices have secured.

The many American veterans that we honor today are a reflection of American greatness. The men and women of our Armed Forces throughout our Nation's history have not hesitated to make tremendous personal sacrifices for the cause of freedom. If it were not for our brave and selfless veterans, we would be a land of fewer freedoms and smaller liberties.

Throughout our history, our veterans have gone to foreign shores to fight the forces of injustice and tyranny. Today, many live in freedom thanks to their great sacrifices.

Our veterans are the first and the finest example of the American hero. They have preserved our peace and they have held back the tide of darkness when the call has sounded to protect our liberty. And these men and women have done and continue to do these things with a sense of duty that has never shirked the great sacrifices, but instead, upholds the mantle of democracy with strength and pride.

On Veterans Day, we rightly single out the members of our Armed Forces, past and present, and give them the honor that they do not ask for, but that they so richly deserve.

I do not say this lightly, that our veterans are the primary forces that keep and have kept the vision of America alive throughout the centuries. Ours is a vision of freedom for all, a vision of a land where any man or woman can breathe free and lay hold of prosperity, secure in the knowledge that their brave and selfless soldiers, sailors, marines, airmen and coast guardsmen have proven that our cause is worthy of the most profound of sacrifices.

We must not take our freedoms lightly. They have been purchased with the blood and sacrifice of many patriots. These patriots have answered the call to service, knowing that a life without liberty is hardly worth living.

They've shown us that our freedoms are invaluable and priceless beyond the paltry dividends of a life under the shadow of tyranny or fear or repression.

We have much to be grateful for in this Nation. Our freedoms are many and our sacrifices are few in comparison to what our veterans willingly give up. And these sacrifices are made on our behalf so that we might enjoy a liberty that is unrivaled throughout human history.

It is therefore a tremendous pleasure to honor the men and women who saw the value of freedom and grasped the threat of tyranny and did not shrink into the twilight. As Thomas Paine said of our freedom on the eve of the American Revolution: ''The sun never shined on a cause of greater worth.''

I thank our veterans for recognizing this cause and rising to its defense with unfailing strength. Our gratitude is tribute to your great bravery and profound sacrifice.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

(Ms. WATERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PETERSON) is recognized for 5 minutes.

(Mr. PETERSON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOLT) is recognized for 5 minutes.

(Mr. HOLT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TAX BURDEN IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Texas (Mr. BRADY) is recognized for 60 minutes as the designee of the minority leader.

Mr. BRADY of Texas. Mr. Speaker, tonight, it is our opportunity to talk about the tax burden that families in America unfortunately must pay.

I am a six-term Member of Congress. I represent the Eighth Congressional District of Texas. It's a great district that encompasses a great deal of east Texas from the Louisiana border over to I–45. I live in The Woodlands, Texas, just north of Houston, with my wife and our two boys, a kindergarten son named Sean and a third-grader named Will, who goes to public school, Sally K. Ride Elementary School. We are blessed to have a great school system in our community.

I have enjoyed serving on the Ways and Means Committee because for many years, as I've told my wife, I get to go to work each day trying to cut taxes from families and small businesses so they have less of a burden. It seems to me we have an overtax, and we are an overtaxed Nation. Most families pay more in taxes than they do for food and housing and clothing combined. Many families work, and most workers work into June and July, actually, after July 4th, before they have paid all their taxes. They don't start working for themselves until almost the seventh month of every year.

And just think about each of the days our families live. You wake up in the morning and you take a shower and you pay a water tax. If you get a cup of coffee, you pay a sales tax. If you drive to work, you pay a gas tax. At work you pay two taxes, an income tax and a payroll tax. You get home and turn on the lights, you pay an electricity tax. You turn on the TV, you pay a cable tax. Get on the phone, you pay a telephone tax. You get ready for bed and kiss your spouse and you pay a marriage tax. And you do this day in and day out for years until when you pass away, you pay a death tax.

□ 2130

We are an overtaxed Nation. This new Congress is bent on increasing that tax burden on America's families and those who create jobs. Already, this Congress has, in the House, approved over $110 billion, billion dollars, worth of new taxes. For those of us who believe the more you tax something the less that you get, what we are seeing is an all-out assault on jobs in America. We are taxing American energy workers.

This Congress seeks to tax American capital, American manufacturing, American small businesses, and tomorrow, this Chamber is set to take up two new tax increases: a major tax increase on the real estate partnerships of America who build our apartments and shopping centers, our office buildings and industrial parks, and another tax that would increase the tax on hardworking Americans who have scrimped hard and saved to buy a second home, maybe a retirement home for their family.

I am going to talk about this for just a minute, then I am joined with two of the leaders of the Ways and Means Committee who are going to talk about the alternative minimum tax, and we will talk about what is now called the ''mother of all tax hikes'' proposed by the chairman of the Ways and Means, CHARLIE RANGEL.

The two provisions I am talking about tomorrow that do not deserve to pass, one is a tax on the small partnerships that build America. Real estate partnerships are a routine, traditional, very responsible way to build facilities in our local community. This tax would tax those small businesses and partnerships, increasing their taxes $6.7 billion, billion, over the next 10 years. This tax increase is described by many as perhaps the most dangerous and risky tax increase on the real estate community since the 1986 tax law, whose changes drove many of our real estate into foreclosure, helped lead into the S&L, savings and loan credit problem, and will undoubtedly cost jobs in America. Some in Washington say, ''No, no, no. We are not targeting America's small business and real estate professionals. We are targeting Wall Street.'' The truth of the matter is that they are shooting at Wall Street; they are hitting Main Street. They are hitting our real estate partnerships, our energy partnerships, our venture capital and local groups that have done nothing wrong except build our infrastructure in our local community and help create jobs.

It is simply wrong, in my view, to tax these organizations. They are the traditional, predominate business model. This tax increase will not only cost jobs, it will cost construction jobs. It will harm property values and really lower government revenue at the local level. I think it is important that we not punish the real estate partnerships that are such an important fabric of our country. And why risk, why help drive more of this housing bubble? Why cause more problems for the real estate industry when, in truth, we can encourage more of this development?

The second tax increase we will face tomorrow, and I hope we will vote down, is a tax increase that hits small businesses, or actually hits families that have saved hard for a second home. It is proposed that we change the tax increase, the capital gains tax, on people who own a second home. Now, we did some research on this. What we discovered, a lot of people think this is the wealthy. We did research on it and discovered that 40 percent of all the home sales last year were to second homes, four out of ten home sales to second homes. And those who bought those homes weren't wealthy. According to the National Association of Realtors, on average, their income was about $82,000. They were buying a second home for their family. Some were investing for their retirement. Others have a favorite lake or river that they have always dreamed of having a cabin on or a lodge on and may have, in fact, done everything right. Many of them have scrimped on their first home so they could try to buy another for their dream in their retirement, for their family's quality of life. It seems to me when you look at punishing people who have worked hard to try to buy that home, we ought not do it.

When you look at the impact on your communities around the country, second home market's where it is very important to the local community. You see many of them in New England where you have buyers from New York, Washington, Philadelphia and all along the East Coast. You see many of them in California and in Florida where you naturally have retirees. But it is not limited to that. Arizona, North Carolina, all throughout the Midwest in areas where there are beautiful lakes and rivers and wide open spaces, then you have the high tech communities and others that invest in second homes.

It just seems to me that this is dangerous to discourage this type of investment. I think we risk in the future harming the property values in the communities that rely upon these resort-type of homes and vacation homes. It seems to me unfair that we would penalize and punish people who have worked so hard to save. We ought not be doing that. We ought to be rewarding that type of behavior.

My hope is that tomorrow as Congress or this U.S. House of Representatives considers these bills that, in fact, we reject these tax increases on the real estate partnerships that build America and reject tax increases on families that scrimped for a second home, maybe perhaps their dream home.

With that, I would like to yield to the ranking member, the highest ranking Republican on the Trade Subcommittee on Ways and Means. This gentleman is from California. He is a conservative who has led the fight for tax relief in many areas throughout the years here in Congress. And I yield to the gentleman from California (Mr. HERGER).

Mr. HERGER. I thank my good friend, the gentleman from Texas (Mr. BRADY) for leading this talk this evening on this incredibly important issue of the taxes that are about to be raised if we do nothing here in the U.S. Congress. I might mention, it was interesting listening to my friend talking about all the individuals that he knows of that will have their taxes raised. I have to give some of my background. My reason, I grew up in Northern California in a rural area just south of Yuba City, Marysville, in a dairy community, born in 1945, so raised during the 1950s and 1960s. Our family also had a small business which I worked in. My reason for becoming involved politically and running for office was not what government was doing for me, but rather as a small businessman and small rancher what they were doing to me. So this evening, I want to discuss something that is more that they seem to be wanting to do to us.

Mr. Speaker, if you earned the same amount of money last year that you do this year and you write a bigger check out to the IRS this year than you did last year, you have just experienced a tax increase. The expensive alternative minimum tax measure recently introduced by the Democrats and the chairman of the Ways and Means Committee, Chairman RANGEL, threatens to take us down the path of staggering tax hikes that will impact nearly every taxpayer. In fact, if that proposal were to be enacted, over the next 10 years, more than 120 million Americans would pay more than $312 trillion in additional taxes.

Mr. Speaker, I have consistently supported doing away, outright, with the alternative minimum tax and am a cosponsor of legislation by my good friend, the gentleman from Pennsylvania (Mr. ENGLISH) that will be speaking in a few minutes that will do precisely that. But the Democrats' ''mother of all tax hikes'' is the wrong approach on the American taxpayer. Ten years ago, most Americans had never heard of the AMT. Today, more and more middle-class families are becoming ensnared in this alternative tax regime.

The AMT was created almost 40 years ago, in 1969, to make 155 of our Nation's wealthiest individuals, who were not then paying taxes, pay at least some level of tax. Yet, the income entry level for the tax were never set to be adjusted for inflation. So if Congress doesn't act soon, the number of taxpayers paying the AMT will rise from 4 million, now mind you that is up from 155, from 4 million last year to 23 million this year alone. In other words, an additional 19 million middle-class taxpayers could pay an average of $3,800 more in taxes this year.

House Democrats would have us raise taxes elsewhere to the tune of nearly $312 trillion over the next 10 years to do away with this AMT that was never intended. They claim this massive tax hike is necessary to offset, or make up for, the tax revenue that is lost with the termination of AMT. For a married couple with two children and an income of $45,000 a year, as well as some typical deductions, this could mean a new $1,500 tax bill. How is this possible if the Democrats' bill assumes that the landmark tax relief of 2001 and 2003, which we put through the Ways and Means Committee in this Congress and signed by President Bush, will expire 3 years from today? Including the lower marginal tax rates and the $1,000 child tax credit.

Under this scheme, more than 94 million Americans with income between 20 and $200,000 will see a major tax increase. I am seriously concerned about how these new taxes will affect taxpayers in my own Northern California congressional district. In 2005, just over 2 percent of all taxpayers in my district paid the AMT. If we fail to extend AMT patch, some 54,000 Northern Californians will have to pay the AMT this year alone. Again, this was a tax meant for only 155 of the wealthiest Americans who weren't paying any taxes in 1969.

But what really troubles me is that the majority party's mother of all tax hikes would eliminate the AMT for this 2 percent and merely substitute it with higher taxes for almost every other taxpayer. This kind of pro-tax-increase thinking is simply unacceptable. We should do away with the AMT altogether. But the majority party's ''tax Peter to pay Paul'' approach is wrong and ignores a reality that the AMT was never intended to capture these Americans in the first place.

I would like to thank, again, my friend, KEVIN BRADY, the gentleman from Texas, for hosting this important Special Order this evening and encourage all my colleagues to stand up for the taxpayers in their congressional districts and oppose the majority's proposed massive tax hikes.

Mr. BRADY of Pennsylvania. Well, Mr. HERGER, thank you for that. Let me just bore you on something. What you said was that under the Democrat proposal, all of President Bush's tax relief is set to expire, so an average family in Texas, for example, we had the expert run the numbers up here, our average Texas family would face an annual tax increase of about $2,800 a year, $2,800 a year. And I know that doesn't sound like a lot of money here in Washington, but back home, that is an awful lot of money to a family.

Will families in California and other parts of the country face that same type of tax increase?

Mr. HERGER. To my friend, yes. That is, as a matter of fact, that tax increase could go as high as $3,800, and talking about average families.

□ 2145

Mr. BRADY of Texas. On top of that, besides letting the President's tax cuts expire, there is a new range of taxes, this mother of all tax hikes, MATH, that adds even more tax increases on top of that, is that correct?

Mr. HERGER. That is correct.

Mr. BRADY of Texas. Mr. HERGER, thank you for raising this issue. Thank you for standing on behalf of families and for your leadership on tax relief in this country.

Mr. HERGER. Thank you, Mr. BRADY.

Mr. BRADY of Texas. Our next speaker probably ought to be known as ''Mr. Manufacture,'' because I don't know anyone who works harder on behalf of manufacturing workers in America, especially in the northeast, than the gentleman from Pennsylvania. He is a long-time member of the Ways and Means Committee. He has a tremendous reputation for looking out for the tax burden of families; more importantly, keeping our U.S. companies competitive so we can compete anywhere throughout the world against anyone and help create new jobs here in America.

I would yield to the gentleman from Pennsylvania, Mr. ENGLISH.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman. I have been listening this evening to the presentations of the last two speakers and I am struck by how, with powerful presentations, I think with a logic which is difficult to challenge, and with oration rhetoric they have laid out the challenge facing American workers with a tax bill, with a tax initiative coming from the majority that is going to raise taxes on working families, driven by a budget by the majority that took revenues from applying the AMT to 23 million taxpayers and now is requiring the majority to look willy-nilly for ways of bridging that tax gap, we now come to the mother of all tax hikes, which has been rolled out in our committee, presented as a tax reform, but ultimately I think is an albatross that would be a dead drag on the American economy.

There are so many problems with the majority's mother of all tax hikes that, frankly, Mr. Speaker, I sincerely doubt that one hour would allow us to do justice to all of them.

So tonight I'd like to focus my remarks on how working families in districts like mine are, as a result of the bill, potentially going to be facing one whopping marriage penalty, see a reduction on the value of deductions for things like mortgage interest and State and local taxes. In addition, if they have got kids, they better be prepared to hang on to their wallet because it's going to take the revenue from dropping the child tax credit to $500 from $1,000, and raising the 10 percent bracket to 15 percent. I'd also like to talk about how this bill will make America less competitive and cost America jobs, particularly in the manufacturing sector.

Now, Mr. Speaker, beginning in 2001, the Republican majority at the time took steps to neutralize the marriage penalty. We were successful in reducing this unfair penalty on marriage and families in the Tax Code. Yet, in the mother of all tax hikes bill, the Democrat majority is proposing to resuscitate the marriage penalty and bring it roaring back to life.

The MATH bill sets income thresholds for a newly designed surtax. But instead of setting the income threshold for married couples at twice the level of income as the threshold for single filers, the majority creates a gargantuan marriage penalty. In fact, the threshold for married couples is only 33 percent higher than the one established for single filers. This creates a 66 percent marriage penalty for taxpayers affected by this new surtax.

This is one way in which the MATH bill moves our Tax Code clearly in the wrong direction. The very same surtax is at the heart of the new marriage tax penalty and is also going to diminish the value of deductions that can be claimed in the filing of taxes. These deductions include the mortgage interest deduction and the deductions for charitable contributions. Under the bill, the deduction for State and local taxes would also be diminished in value.

How exactly are the Democrats going to erode the value of these deductions, and that is another shell game, Mr. Speaker. Because they would implement this surtax based on adjusted gross income instead of taxable income, the surtax is applied before you're able to make any deductions.

While that may sound like something that only green-eye-shade types can decipher, it's going to be hard not to understand the next time you end up tallying your taxes. The end result is simple: less money in the pocket of working families all across America.

So to recap so far, the Democrats have put forward a bill that socks it to married couples in the form of a brand new mammoth marriage penalty and that decreases the value of any deductions that are available to the claimant, including the standard deduction. What else could they possibly dream up to tax the American family? How about the tax on families with kids? That, Mr. Speaker, is the next station this train wreck of a tax bill heads to.

A magnifico in the Democrat Party in the House earlier this year called the alternative minimum tax the parent penalty. I guess that was a poll-tested term. In fact, it was during his national radio address on the AMT when the following was said, and I quote: ''While Republicans were passing multiple tax cuts for the very wealthy over the last 6 years, the Bush administration and the Republican Congress seemed to have forgotten about the middle-class families.'' The new Democratic Congress has made cutting the AMT, the parent penalty, our top priority for tax reform.

Curiously, the Democratic budget and the MATH bill don't fix this so-called parent penalty. Instead, it forces the taxman to drop the hammer on working families by increasing taxes on those the Democrats claim to want to help. To understand how the Democrats are now increasing taxes on middle-class parents, we have to go back to 1997 when the Democrats claimed Republicans were focused on cutting taxes for the wealthy. The Republican majority created the child tax credit in 1997, and then increased the credit from $500 to $1,000. It was limited at the top. It was capped in the families by income that would be eligible for it.

Also, the Republican majority lowered the bottom tax bracket to 10 percent from 15 percent. Those are working families at the bottom end of the economic ladder who benefit from that. Yet the Democrats in their budget want the child tax credit to revert to $500 and those in the lowest tax bracket to pay 15 percent instead of 10 percent.

So using the current level of tax and value of the credit and then comparing it to the tax rates imposed on middle-class families in the MATH bill, just how do parents fare? The answer may surprise you, given all the Democratic rhetoric flying around the Capitol in recent years. Let's look at an example to see what is really going on.

Peter and Kelly of Waterford, Pennsylvania, are a married couple with two children and have an adjusted gross income of $45,000 in 2011. They have four exemptions totaling $14,800, plus $13,000 worth of deductions for their charitable contributions, mortgage interest and State taxes. Under the current tax system, Peter and Kelly would have a negative tax liability of $275 and would get a check from the taxman. Under the MATH bill proposed by the Democrats, however, Peter and Kelly would owe the taxman over $1,500.

How can that possibly be? After all the Democrats said they wanted to help working families like Peter and Kelly. The fact is that the Democrats are playing fast and loose with their rhetoric and are now playing the game of three-card monte with this family. They say they are removing something called a parent penalty, but by assuming the expiration of the 10 percent tax credit and the child credit declining to $500, the tax bill doesn't lie. This is a big tax increase and in some respects a different standard of living for these parents.

That is why it is so important to talk about just how bad this bill is. With all the information in hand, taxpayers won't be fooled by the Democrats' smoke and mirrors. The only ones foolish enough to believe the claims about this bill, I believe, are my colleagues themselves on the other side of the aisle.

If that wasn't enough, Mr. Speaker, the majority proposes to vault U.S. individual tax rates to among the highest in the entire developed world. When the surtax included in the MATH bill is combined with the take-the-money-and-run revenue grab of repealing the 2001 and 2003 tax cuts, the majority would leave the top tax rate at more than 44 percent. Of all the members of the Organization for Economic Cooperation and Development, that is the club of the developed world, only five would have higher top marginal tax rates in 2011. This is a staggering increase on the top rate.

Some will counter that this increase is only fair because it is directed at only the wealthiest individuals in our country. But those critics would be dead wrong. They would fail to recognize that this crushingly high tax rate will affect small business owners and farmers who report business income through the individual tax code and will cripple the engine of opportunity, job growth and innovation that makes our economy strong. This is the most dynamic part of our economy.

In fact, the Heritage Foundation has estimated that this bill, in conjunction with the repeal of the 2001 and 2003 tax policies, would have the effect of eliminating the entire economic output of my hometown of Erie, Pennsylvania, seven times over each year beginning in 2011.

All year, Democrats have been blindly and steadfastly hanging on to the misguided theory that taxpayers are worse off as a result of the 2001 and 2003 tax relief. Their theory is that because those taxpayers got a tax cut, they were more likely to go into AMT status and therefore be subject to a higher tax bill from Washington.

Not everything in their theory is completely inaccurate. Yes, as a result of the 2001 and 2003 tax relief, more taxpayers were subject to the AMT, and the reason is simple: you are subject to the AMT if your liability under it is higher than your liability under the regular tax. The part they have wrong is that those taxpayers are worse off as a result of now being in the AMT. In fact, they are not worse off than they were, because without the 2001 and 2003 tax policies, they would have paid the same or higher taxes than they do now, even in the AMT.

Where this story gets interesting, however, is that the Democrats' own logic is now turned against them and exposes a major flaw in their bill, the mother of all tax hikes. The stakes are high and job creation hangs in the balance. Unfortunately, the mother of all tax hikes will dole out one serious beating, particularly on small manufacturers, on innovators, on entrepreneurs, and ultimately on job creation.

To understand why, let's borrow the Democrats' own theory, namely, that if rates are lowered, more taxpayers will be subject to the AMT. Only this time, under the mother of all tax hikes, the taxpayers are getting thrown into the AMT as employers.

The individual AMT is not the only monster lurking in the Tax Code. Similar to the individual AMT, the corporate AMT is a horribly inefficient and counterproductive parallel tax system, a source of complexity. The Democrats' bill will, by virtue of modestly lowering the corporate income tax rate, have the effect of increasing the number of corporate AMT taxpayers.

What do the Democrats do to head off this problem, which they decried as a fundamental unfairness when the Bush tax cuts did the same things for individuals? Not a thing. Nothing at all. Nada.

Why is this more important, you may ask? Won't they be better off than they would have been absent the tax cut? While it may be true that corporate taxpayers thrust into the corporate AMT as a result of the mother of all tax hikes may not pay more tax overall, the corporate AMT has built in disincentives to capital investment and job growth.

In short, the corporate AMT, especially for capital-intensive industries, such as the ones in my district, manufacturing, forces employers to choose between investing in their tax bill or investing in job creation. I, for one, have long advocated for a Tax Code that embraces incentives to create jobs, as opposed to a policy that is a dead drag on the economy.

In addition, by lowering rates but not dealing with the corporate AMT at the same time, the mother of all tax hikes will further entrench employers already in the AMT. This will make it even harder for those taxpayers to get out of the AMT.

The practical consequence of this is that existing corporate AMT taxpayers, being forced to stay in the AMT longer, or even indefinitely, will not be able to use the AMT credits that they have accumulated.

□ 2200

These credits are given so a corporate AMT taxpayer will be able to offset future tax liability as a way to make sure that the AMT is not a permanent tax increase. But unless the taxpayer can ultimately leave the AMT, the reality is, in effect, it is a permanent tax increase. In other words, by increasing the strength of the AMT's hold on taxpayers, it will likely translate into a permanent tax increase for some employers that find it difficult to get out of the AMT, and many of these are tax sensitive.

This is absolutely the wrong direction for Congress to take. Instead of entrenching the corporate AMT in the Tax Code, we should be repealing it outright. The corporate AMT turns incentives enacted by Congress to spur new investment and create jobs into liabilities. This includes research and development activity and the purchase of new equipment.

Because more firms are subject to the AMT during economic downturns, the AMT increases taxes during recessions and decreases them during relatively prosperous periods. This artificially accentuates natural market cycles and unnecessarily destabilizes the economy.

The end result is job loss and employers being forced into protracted fears of stagnation when it comes to investment in ingenuity. Not only does the mother of all tax hikes fail miserably to deliver on its promise of middle-class tax relief, but it also makes an intense effort to put those middle-class taxpayers out of work.

This is a bad initiative. It is one borne of ideology rather than practical experience. It is a bad tax policy, and we know from past experience that an old saw of Daniel Webster's holds true: The power to tax is the power to destroy.

If we allow these higher taxes to go into place, it will have a negative impact on our economy, on many of our working families, on many families that we have sought to support through judicious use of the Tax Code.

Mr. Speaker, I think it would be a terrible mistake if, without a fight, we allowed this Democrat tax bill to go into law masquerading as tax reform, but basically dramatically increasing the amount of our national wealth that is confiscated.

I am prepared to join this fight. I am delighted to join the gentleman from Texas and others. I believe there will be a clear philosophical difference laid out before this Congress between those who want to reform the Tax Code through simplification, putting in place the right incentives and pro-growth economic policies, and those who want to game the Tax Code and generate more revenue at whatever economic cost and shift more and more of the burden down to the middle class. This is a fight worth having, and I am proud to join the gentleman from Texas to be part of it.

Mr. BRADY of Texas. I appreciate the gentleman from Pennsylvania.

In the name of tax reform, according to the Joint Committee on Taxation's report that came out today, even though this is called tax reform, 113 million families will see their tax burden go up and only a few, 9 million, will see their taxes go down; is that correct?

Mr. ENGLISH of Pennsylvania. That's correct. What we are seeing is a vehicle being called ''tax reform'' being used as a locomotive to drive higher taxes, higher revenues, and higher spending levels. This is an attempt in the name of fiscal responsibility to take more from the American economy, more from American working families, more from the public at the expense of the private economy.

Mr. BRADY of Texas. And as I understand it, although this proposal will soak the wealthy and the small businesses in America, it also soaks the working-class families, many who make less than $75,000 a year, according to the report released today, will see a major increase in their taxes. These are families that make less than $75,000 a year, it will increase taxes on those families?

Mr. ENGLISH of Pennsylvania. That is precisely correct. That is something that I think needs to get out to the American people before we have this debate.

Mr. BRADY of Texas. And I know we are having a debate tomorrow on the alternative minimum tax. I think many of us are concerned that this is an opportunity to increase taxes. The alternative minimum tax was a mistake to begin with. It targeted a few wealthy millionaires. Now it has spread unintentionally to 3 or 4 million Americans. There is an argument in Washington today that says to a person, we intend to tax you in a couple of years, but we are not going to do that and so we will increase taxes on other Americans to cover the tax increase you don't have.

Mr. ENGLISH of Pennsylvania. And what is particularly perverse about it, to respond to the gentleman, is we are talking here about permanent tax increases, to provide temporary protection to other taxpayers. Ultimately they have created a series of PAYGO rules that allow them to go in each year, hold certain taxpayers harmless, but at the expense of permanent increases in revenue into the foreseeable future.

What they are doing is setting up a system that can be gamed that will permit them to go forward and raise taxes each year without calling it a tax increase where they are trying to avoid the label. I think that is particularly perverse because what it assumes, even as Republicans for years when they were in power each year tried to look for ways of cutting taxes, it seems like the Democrats have set up a PAYGO system by which they will be able to go in each year and justify tax increases.

They may call some of it loophole closing, but it is higher taxes, and they are going to be looking for more and more creative ways for generating more revenue for years to come, particularly as the cost of patching under their rules, the cost of patching the AMT each year grows higher.

Mr. BRADY of Texas. I think many of us believe it is right to eliminate the alternative minimum tax. It is a mistake. It is a second tax. It is a wrong tax, and should be stopped today. Many of us believe that should not be an excuse for raising taxes on others. In fact, the best solution is if you look at the next 10 years of spending in America, our government will spend nearly $50 trillion over the next 10 years. And I think many of us believe that rather than finding excuses to add tax burden to American families and small businesses, we ought to sit down together, both parties, and see if we can identify less than a trillion dollars of that.

Mr. ENGLISH of Pennsylvania. I think the time has come to put together budgets where the math is accurate, where the math isn't based on phantom revenues, where the math doesn't assume the phaseout of taxes every year, and where the math is not based on applying new taxes to whole new classes of taxpayers, particularly a tax that was intended for the wealthy but increasingly is being targeted to the middle class. I think we need to take this opportunity to make a departure from past practice.

As the gentleman knows, when we were in the Ways and Means Committee marking up the unfortunate patch bill that is being brought to the floor tomorrow, I put forward an amendment that was defeated by the majority that was consistent with their budget rules, that would have eliminated the AMT by a date certain. This is something absolutely consistent with their budget practices. They claim to want to get rid of the AMT. But when they had a chance to actually get rid of the alternative minimum tax, they voted us down on straight party lines. This would not have done violence to any of their budget calculations. It would not have required them to adjust their current budget. It would have just required them to acknowledge that they have to stop using the AMT in the outyears to plump up their revenues because they are not entitled to that revenue. Congress never intended to apply this tax, the AMT, to middle-class taxpayers. And the fact that the majority party is so addicted to its revenue that they are not willing to just say no I think tells the entire tale.

Mr. BRADY of Texas. I thank the gentleman from Pennsylvania. I think there is a clear philosophical difference between the two parties. As Republicans, we believe what you earn is your money. I think our new majority here believes what you earn is the government's money.

I think most of us agree before we ask through these tax increases, before we demand that families tighten their belt, maybe us in Washington ought to be tightening our belts first to try to put this government on a diet and try to make better use of the moneys that the people send us.

I appreciate the gentleman from Pennsylvania's leadership on this issue.

Mr. ENGLISH of Pennsylvania. I thank the gentleman.

Mr. BRADY of Texas. I turn now to the gentleman from New Jersey who represents both rural and suburban households, some who do well, but others who are just working-class Americans. He has fought hard against tax increases during his time in Congress, and I welcome the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I appreciate that and thank the gentleman from Texas for your work on this issue.

I also commend the gentleman from Pennsylvania because I know he has been championing this issue and cause for a number of years. And I believe during his remarks he mentioned the piece of legislation he has had in this House for some time as well.

In his usual, understated way, the gentleman from Pennsylvania ended his remarks by saying this will begin a philosophical discussion, and the gentleman from Texas picked up on that as well. Indeed it is a great philosophical discussion to point out the disparity between the two parties. The Democrat Party, which is now in control of the House and the Senate, we can see from their actions during the past 11 months that they have been in control that families should be compelled to keep their house in order but Congress does not have to be forced to live within its means. They do that every time they come to the floor with another tax increase, which we will see shortly when their AMT bill comes, that Congress does not have to live within their means. The focus should be, instead, on the family budget, as we have always said on this floor in the past.

Before I came to the floor, I want to do a little aside, I was reading this current issue of Human Events, the week of November 5. It is a front-page story by Andrew Boylan: ''Rangel tax reform riddled with tax hikes.'' He has an expression in here, and I think it points out what CHARLIE RANGEL and the Democrat majority are trying to do in the House. It says, ''Chairman Rangel's plan isn't just robbing Peter to pay Paul; it is robbing Peter and Paul while convincing both of them that the other guy is the one paying the higher taxes.'' That really puts it in a nutshell.

What you will hear from the other side of the aisle when they begin to explain this is no, we are just trying to set things straight. We are just trying to rectify a problem from the old AMT. But at the same time they really, in reality, are shifting it. No, they are robbing from all of us, the entire American population, and they will be trying to convince all of us through the spin and the rhetoric that we hear that the other guy is paying it. That is not the case at all.

You know, the word ''AMT,'' for those who don't follow this issue very closely, has a good name, alternative minimum tax. At first blush that sounds like something that you would want to pay instead of what you are currently paying.

''Alternative'' makes it sound like it is voluntary. ''Minimum''; I, too, would like to pay the minimum amount of taxes. But those words are deceiving just as the Democrat plan is deceiving. It is not alternative in the sense that it is voluntary. It is mandatory. You are compelled to pay the higher of the tax. And it is not minimum in any sense of the word. It is a maximum tax. That will be exactly what we get when the Democrats give us CHARLIE RANGEL's bill of an alternative minimum tax fix.

Now the gentleman from Pennsylvania talked about a piece of legislation that he has worked on, which I have cosponsored as well, that tries to address this by simply repealing the entire AMT. It repeals the entire alternative minimum tax so that citizens of this country will not have to pay that higher tax.

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I've cosponsored that legislation, and I support it, but let me just digress for 30 seconds here and just say that I also have sponsored a piece of legislation to address the AMT in this session of Congress. It does not go so far as to totally repeal the bill, but what it does is to try to do, let's say, a compromise measure, if you will, if we can't get that far because the other side of the aisle will not go so far as to giving American taxpayers that total relief. And what it does is it meets it halfway.

From my perspective, it gets halfway and says let's put a COLA in that bill, a cost of living adjustment into it, so that the AMT could do what it was actually intended to do several decades ago, target those very, very, very, very few. Back then, there were was only 150 of those taxpayers out of 200 million people, those taxpayers who were not paying any taxes, and put a COLA into it so that it would be just adjusted just as the rest of the tax breaks. So when your income goes up each year due to inflation and what have you, you would not find yourself falling into it.

So if the Democrats can't go so far as some of us, as Congressman ENGLISH and others of us believe that we would like to see here, and that is to totally repeal, take away that burden on all American taxpayers, I would hope that they would see instead some sense to reaching halfway at the very least and saying let's make sure that it does not swallow up so many of the individuals in this country. If we don't do anything shortly, 22 million Americans will see their taxes go up dramatically.

Now, I come to the floor, as the gentleman from Texas says, from the great State of New Jersey, and I speak with some experience as to the fact that sometimes the other side of the aisle, both on a Federal level and on a State level, will try to deceive us on some of these things as to who they're really going after.

Here, if you read and listen to the rhetoric from the Democrats on this issue, they're saying, well, we're just trying to go after the rich people in this country. In New Jersey, a few years ago, there was Governor McGreevey at the time. They said the same thing. They said we're going to go with a millionaire's tax, and of course, the average citizen said, hey, that's fine, they're not coming after me; they're going after the other guy; in effect robbing Peter to pay Paul and convince them it's the other taxpayer that's going to pay the bill.

But you know what happened there. That millionaire's tax in New Jersey started at $1 million, and then suddenly it went down to $900,000, then $800,000, $700,000, and it kept on going down lower and lower and lower until eventually it covered just about everybody. Anybody who had a household where the husband and wife worked, you had a husband maybe a policeman and the wife might be a school teacher or a nurse or something like that, they became covered by that so-called millionaire tax in New Jersey.

It was the so-called tax that started out as a rifle shot at just a select few and instead turned into a shotgun approach and encompassed everyone. Same thing that's happening right here with the AMT so-called relief that we're getting from the Democrats, so-called going after the millionaires; but it's going to cover all of us with higher taxes.

When I say higher taxes, one of the things I say on the floor just about every time I come to the floor, I say this. We are now in November, the eleventh month of the year, which means we're on the eleventh of Democrat control of this House, and we should always ask ourselves, what has 11 months of control by the Democrats wrought for this House and the country.

It has initially brought us the largest tax increase in U.S. history. It has brought us the creation of slush funds in the various appropriation and budget bills that they gave us at the beginning of the year, and it has gotten rid of any hint of transparency in the earmark rules of this House, some things that they campaigned on.

The issue of tax increases continues here tonight, and if I have just another minute, they gave us the largest tax increase initially when they gave us the budget at the very beginning of the year. Since that time, in just about every piece of major legislation that the Democrats have brought before this House, you have seen a tax increase. In bills that you would never even imagine would have tax increases, they have it. And let me just take a moment just to run through a list, and I don't have a chart to put up behind me so I'll have to give it to you this way.

The CLEAN Energy Act, we're all in favor of clean energy, I suppose, but it includes a $7.7 billion tax increase over 10 years. The Small Business and Work Opportunity Tax Act, $1.38 billion. Katrina Housing Tax Relief, tax relief, it sounds as though they're giving us tax relief. No, it's raising taxes by $241 million. Taxpayer Protection Act, $23 million increase. To amend the Internal Revenue Code, well, we all want to do that, but who knows. When they did it, they raised taxes by $14 million.

U.S. Troop Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act. Gosh, by the name of that, they're all great things, U.S. troop readiness, Katrina recovery, but you know what, they tucked in a tax increase there. How much? $4.4 billion. Second bill, same name, H.R. 2206, $4.8 billion.

The Andean Trade Preferences Act, $105 million tax increase. Farm Nutrition and Bioenergy Act, $7.4 billion Democrat tax increase. The Children's Health and Medicare Protection Act, get this one, $54.8 billion Democrat tax increase.

Just three more. The Renewable Energy and Energy Conservation Act, what does that have to do with taxes? Well, for the Democrats, it's $15 billion in tax increases.

The Airport and Airway Trust Fund Financing Act, trying to make our airports better. Well, how do they do it? They do it by raising our taxes by $1.8 billion.

And, finally, the Mortgage Forgiveness Debt Relief Act. Who could be against mortgage forgiveness and debt relief? Well, the debt is going to be on our shoulders because they're raising taxes by $2.005 billion.

You add up that whole list, and this is even before we come to the bill that's before us tomorrow, that comes to $106 billion tax increase over 10 years, on top of the largest tax increase as I mentioned in the budget at the beginning of the year.

Let me just conclude. I see our time is coming down. These numbers are for me, and I think most Americans, hard to put your arms around when you are talking about such high tax increases. The bottom line, though, is put them in large absolute numbers when you're talking about $106 billion or the $70 billion in permanent tax increases as the gentleman talked about, or as a Member from the other side of the aisle admitted, 130 percent tax increase, whether it's percentages or absolute numbers, put them down in day-to-day numbers. It's around $2,400 on the largest tax increase to the average American household that you will be seeing.

The question we have to ask is the one I started with and the one that the gentleman from Pennsylvania ended with. It's a philosophical discussion. Are we going to put the focus on the American budget or the family budget? I suggest, and this side of the aisle suggests, the focus should be on the American family's budget to allow the American taxpayer to keep as much of his money as possible and not see another tax increase on that family budget.

Mr. BRADY of Texas. Mr. Speaker, I thank the gentleman from New Jersey for pointing out we do have a choice between higher taxes and tightening our belt here in Washington, D.C.

As a Republican, as a conservative, I'm convinced that the reason Republicans got fired from their job of leading Congress is that we didn't balance the budget. We didn't secure the border. We didn't lead with integrity. And I think it is a fair criticism that we should have done much better in getting a handle of this spending machine that we call Washington, D.C.

However, I hear all the time the reason we have record debt and the record public debt is because of our tax increases or tax relief spending and we did not pay for the war.

The truth of the matter is we are having record revenue here in America. After 9/11, during the recession and after 9/11, we actually saw a decrease in revenue the first time in years, not slowing, a decrease. We put in place tax relief to help spur the economy, create new jobs. Our thought was we want to create jobs around America, leave the money in the pockets of Americans so it can work around Main Street and the shopping centers and go to work, and it has done that. We've had 7 million new jobs created over the last few years, record revenues, double digit revenues coming in to Washington. Our problem is not our revenues. Our problem is spending.

We hear criticism that Democrats do not support tax relief or the new spending and they would have paid for the war. But the truth of the matter is the first President's tax relief was $1.3 trillion that Republicans proposed. Democrat tax relief was $1.2 trillion tax relief that they voted.

The second major tax reform, the Jobs Creation Act 2004 was passed overwhelmingly with nearly 80 Democrat Members joining in that tax relief. The spending on recovering New York from 9/11 was bipartisan, overwhelming. The spending on Katrina and Rita was bipartisan and overwhelming. Medicare, the Democrat Medicare plan was three times as large as the Republican plan.

In fact, all of the spending bills the Republicans proposed that Democrats opposed, they opposed not because they were too small, but they weren't high enough.

And so what we are faced today with is a choice between raising taxes to balance the budget. We're tightening our belts, working together, Republicans and Democrats, and I know up here that seems to be a poisonous thing to do. But the truth of the matter, I think most Members of both parties would like to balance this budget as best we can, as soon as we can. I don't think we ought to increase taxes to do it. There are better ways.

ENERGY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Washington (Mr. INSLEE) is recognized for 60 minutes as the designee of the majority leader.

Mr. INSLEE. Mr. Speaker, I come to the House this evening to discuss our great irony about our position in the world right now, economically and environmentally.

The irony is that we face some real challenges that touch on our energy-based economy, and I think those challenges are obvious to us tonight, a challenge as oil approaches $100 a barrel, $3 a gallon, and there's no relief in sight.

Americans right now are feeling the pinch associated with fossil fuel costs going up. We have a challenge in that we still are addicted to Middle Eastern oil as a principal source of oil, and as long as we are addicted to oil we will have a problem being wrapped around the axle of the Middle East.

And we have the problem of global warming, which is something that is becoming increasingly clear to us, not with scientific research but with our own eyes. In fact, I was pretty stunned to see the photographs of the arctic this summer where 1 million square miles of the arctic disappeared this summer, totally shocking the scientific community. An area the size of six Californias disappeared, melted unexpectedly in the arctic this summer.

And, of course, that's a big concern because the arctic ice cap is sort of like a big sunshade. It reflects energy back into space. Now that it's gone in the summer, or substantial portions of it, the oceans are absorbing six to ten times more energy, having a pernicious feedback loop, making the problem even worse.

In fact, if you look at the projections prepared by the scientific community showing the arctic ice cap in the year 2000, if you project up to the year 2040, the scientific community basically has found the arctic ice cap will be gone in the late summer months, essentially in my children's lifetime certainly.

And the results of these three challenges that we have, increasing fossil fuel prices, our addiction to Middle Eastern oil and global warming, are certainly great challenges and ought to give us pause.

But I'm here to talk about optimism rather than fear because the great