

Congress has, on a temporary basis, suspended the net income limitation since 1997. The current suspension expires at the end of this year. The extension of the suspension of the net income limitation will allow independents the necessary capital to continue to produce from these existing marginal wells, which is critical to the Nation's overall energy security.

Now, additionally, Congress made a special economic incentive available to benefit Indian Country under the Omnibus Budget Reconciliation Act of 1993. It provides for special accelerated depreciation for new and used assets acquired after December of 1993 on Indian reservations and former Indian reservations in Oklahoma and elsewhere. This depreciation incentive provides an approximately 40 percent shorter recovery period for most commercial property. This accelerated depreciation schedule has been successful in encouraging capital-intensive businesses to locate and expand in Indian Country in Oklahoma and throughout the Nation.

Both of these important provisions expire at the end of this year, and it is crucial that Congress act this year to extend each one.

UNANIMOUS-CONSENT REQUEST— S. 2184

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2184, a bill to allow penalty-free withdrawals from retirement plans for individuals called to active duty, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read a third time and passed.

The PRESIDING OFFICER (Mr. WEBB). Is there objection?

Mr. BAUCUS. Mr. President, reserving the right to object, I am wondering whether the Senator would amend his consent request to allow, instead, the following; namely, that when the Senate receives from the House its bill to extend the expiring tax provisions, the Senate would proceed to that bill, consider a Baucus amendment to extend the expiring tax provisions and prevent the AMT from hitting any additional taxpayers, agree to that amendment, and pass the bill, all without any intervening action or debate.

The PRESIDING OFFICER. Does the Senator from Oklahoma so modify his request?

Mr. INHOFE. No. I would respond to the Senator by saying, if I had a chance to get and look at the Baucus bill and look at all the provisions, I might consider doing it. As it is right now, this is my unanimous consent request.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Hearing the comments of my good friend from Oklahoma, I have no alternative but to object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST— S. 2185

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2185, a bill to permanently extend the current marginal tax rates, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion bill arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read for a third time and passed.

This is the same legislation extension that I just described.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, again reserving the right to object, would the Senator again amend his consent request to instead allow the consent request I requested just previously?

The PRESIDING OFFICER. Will the Senator from Oklahoma so modify his request?

Mr. INHOFE. No, I will not at this time.

Mr. BAUCUS. Hearing his response, Mr. President, I must object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST— S. 2233

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2233, a bill to provide a permanent deduction for State and local general sales taxes, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion bill arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, reserving the right to object once again, I ask the Senator if he would again modify his request along the lines I outlined earlier?

The PRESIDING OFFICER. Does the Senator from Oklahoma so modify his request?

Mr. INHOFE. Not at the present time.

Mr. BAUCUS. Mr. President, I object. The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST— S. 2216

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2216, a bill to extend the Indian Employment Credit Depreciation Rules for property within an Indian reservation, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read a third time and passed.

Again, this is one of those I just referred to on the floor of this body.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object, once again, I would ask my friend from Oklahoma if he would amend his consent request along the lines I earlier suggested.

The PRESIDING OFFICER. Will the Senator from Oklahoma so modify his request?

Mr. INHOFE. No. Same problem.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Objection.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST— S. 2217

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2217, a bill to extend the taxable income limit on percentage depletion allowance for oil and natural gas produced from marginal properties, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, reserving the right to object, I make the same request of the Senator from Oklahoma.

The PRESIDING OFFICER. Does the Senator from Oklahoma so agree?

Mr. INHOFE. Same response.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Hearing the Senator's response to this long litany of requests of tax measures, which the Senator knows can in no way be passed in the Senate in this way, but also knows that many will be acted upon later this year, I must object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST—
S. 2247

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2247, a bill to make permanent the depreciation of motorsports entertainment complexes, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, I can short-circuit this charade. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST—
S. 2234

Mr. INHOFE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2234, a bill to extend the deduction for qualified tuition and related expenses and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read for a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object, I might say to my good friend that this is another measure that will be considered in due course later this year. I must object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

UNANIMOUS-CONSENT REQUEST—
S. 2264

Mr. INHOFE. Finally, Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2264, a bill to extend the tax-free distributions from individual retirement plans for charitable purposes, and that the bill be read a third time and passed. I further ask that the bill then be held at the desk until the House companion arrives and that all after the enacting clause be stricken, the text of the Senate-passed bill be inserted, and the House bill, as amended, be read a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, again, these are measures which will be considered in due course this year. I laud my good friend, but as he knows, Senator GRASSLEY is ranking member of the committee, and there is a process

in which to deal with these measures. This is not the process to be engaged in at this moment. So I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. INHOFE. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, just a few words to explain what just happened.

On behalf of many Senators, I am calling for swift passage of a full tax extenders package, which contains many of the measures that have been referred to in the preceding 4 or 5 minutes. These measures are called tax extenders, and we will pass tax extender legislation later this year.

I want quick action on them, including the college tuition deduction, the sales tax deduction, as mentioned by two Senators, and also we must move on provisions to prevent the alternative minimum tax from hitting more taxpayers and the complete set of expiring tax provisions when the House sends that legislation to the Senate.

We are all working on this issue. Senator GRASSLEY and I have talked with Chairman RANGEL on the other side of Capitol Hill, as well as those on this side of Capitol Hill, to get these measures enacted. I, myself, drafted many of these provisions in the first place. Senator GRASSLEY and myself have advanced, as we always do in working together, in trying to get them all extended.

Mr. President, we want to get this done, and I am confident we will get it done, and I urge a little forbearance of my colleagues. We are working expeditiously to get it done. It may not be tomorrow, on Friday, but we are working very expeditiously to get it done, and I am confident it will be done later this year.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CORNYN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SALAZAR). Without objection, it is so ordered.

Mr. CORNYN. I ask unanimous consent to speak for up to 10 minutes as in morning business.

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

TAX EXTENDERS

Mr. CORNYN. Mr. President, I understand the chairman of the Finance Committee objected this morning to a unanimous consent request offered by Senator INHOFE regarding legislation that would ensure that American taxpayers would not pay higher taxes next year. The chairman of the Finance Committee indicated they are working

on these provisions and he doesn't want them taken up now; he wants to bring them up later.

It is important to talk about two taxpayer-friendly provisions in the IRS Code that will disappear in the next 60 days unless we do something about it. The first is a provision that gives taxpayers the option of deducting their State and local sales tax. My State of Texas, like a handful of other States, does not believe it needs a State income tax. We don't have one. We are not going to get one. What we do want is a level playing field when it comes to the Federal income tax code allowing the deduction of State and local sales tax, just as it allows currently a deduction of State income tax from one's Federal tax return.

State and local governments have a number of options for raising revenue to pay for essential services they provide to their citizens. Some States raise revenues through an income tax. Some States, such as Texas, use a sales tax. Others use a combination of the two. In an effort to help protect people from overly burdensome taxation, the IRS Code has in the past allowed taxpayers to deduct all the State and local taxes they paid from their Federal taxes. Up until 1986, taxpayers could deduct State and local sales taxes. Unfortunately, this was unfairly eliminated. For 18 years, Texans and other States without a State income tax did not have the same level playing field other States had. I view this as a matter of gross discrimination against those States that have a State sales tax rather than a State income tax. It is simply unfair and needs to end on a permanent basis.

That is why 3 years ago, I worked with several of my colleagues to reinstate the State and local sales tax deduction as part of the American Jobs Creation Act of 2004. Without quick Senate action, the citizens of Texas will once again be treated unfairly by the IRS Code by disallowing the deduction of State and local taxes. Our State and local governments have to have the flexibility to collect taxes that fund essential services in a way they find most appropriate without putting our citizens at a disadvantage. Again, make no mistake about it, Texans don't want a State income tax. We are a low-tax, pro-growth State. That is why we have seen 3 million people move to Texas since 2000, because it provides incentives for job creation by small businesses and big businesses alike. We are not asking for the Federal Government to somehow bless Texas adopting a State income tax. We don't want it. What we do want is fundamental fairness.

If the Senate allows this provision to expire, it will be punishing the citizens of my State based on geographic location and preference for a different tax system. Extending the sales tax deduction effectively gives Texans \$1 billion in tax relief every year. This money not only helps hard-working middle-