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Camp (MI)
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Cole (OK)
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Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
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Diaz-Balart, L.
Diaz-Balart, M.
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Franks (AZ)
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Green, Al
Green, Gene
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Hall (NY)
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Johnson, Sam
Jones (NC)
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Lofgren, Zoe
Lowey
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Lungren, Daniel
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Miller, Gary
Miller, George
Mitchell
Mollohan
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Moran (KS)
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Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
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Neal (MA)
Neugebauer
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Ros-Lehtinen
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Rothman
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Ruppersberger
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Ryan (OH)
Ryan (WI)
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Sanchez, Linda
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Sanchez, Loretta
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Thompson (CA)
Thompson (MS)
Thornberry

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Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walz (MN)
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Wasserman
Schultz
Waters
Watt
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield (KY)
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wittman (VA)
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)

A motion to reconsider was laid on the table.

ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2008

Mr. NEAL of Massachusetts. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 7005) to amend the Internal Revenue Code of 1986 to provide alternative minimum tax relief for individuals for 2008.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 7005

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

SECTION 1. SHORT TITLE, ETC.

(a) IN GENERAL.—This Act may be cited as the “Alternative Minimum Tax Relief Act of 2008”.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking “or 2007” and inserting “2007, or 2008”, and

(2) by striking “2007” in the heading thereof and inserting “2008”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 3. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(1) by striking “(\$66,250 in the case of taxable years beginning in 2007)” in subparagraph (A) and inserting “(\$69,950 in the case of taxable years beginning in 2008)”, and

(2) by striking “(\$44,350 in the case of taxable years beginning in 2007)” in subparagraph (B) and inserting “(\$46,200 in the case of taxable years beginning in 2008)”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 4. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS FOR PRIOR YEAR MINIMUM TAX LIABILITY, ETC.

(a) IN GENERAL.—Paragraph (2) of section 53(e) is amended to read as follows:

“(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1), the term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount (not in excess of the long-term unused minimum tax credit for such taxable year) equal to the greater of—

“(A) 50 percent of the long-term unused minimum tax credit for such taxable year, or

“(B) the amount (if any) of the AMT refundable credit amount for the taxpayer’s preceding taxable year (determined without regard to subsection (f)(2)).”

(b) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.—Section 53 is amended by adding at the end the following new subsection:

“(f) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.—

NOES—2

Flake Paul

NOT VOTING—13

Bishop (UT) Larsen (WA) Shuler
Broun (GA) Mahoney (FL) Walsh (NY)
Cubin Marshall Watson
Frank (MA) Miller (NC)
Johnson, E. B. Schakowsky

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining on this vote.

□ 1555

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. SCHAKOWSKY. Mr. Speaker, on roll-call No. 633, I was unavoidably detained. Had I been present, I would have voted “aye.”

TOM LANTOS HUMAN RIGHTS COMMISSION ESTABLISHMENT RESOLUTION

The SPEAKER pro tempore. The unfinished business is the question on suspending the rules and agreeing to the resolution, H. Res. 1451.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. SCOTT) that the House suspend the rules and agree to the resolution, H. Res. 1451.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

“(1) ABATEMENT.—Any underpayment of tax outstanding on the date of the enactment of this subsection which is attributable to the application of section 56(b)(3) for any taxable year ending before January 1, 2008 (and any interest or penalty with respect to such underpayment which is outstanding on such date of enactment), is hereby abated. The amount determined under subsection (b)(1) shall not include any tax abated under the preceding sentence.

“(2) INCREASE IN CREDIT FOR CERTAIN INTEREST AND PENALTIES ALREADY PAID.—The AMT refundable credit amount, and the minimum tax credit determined under subsection (b), for the taxpayer's first 2 taxable years beginning after December 31, 2007, shall each be increased by 50 percent of the aggregate amount of the interest and penalties which were paid by the taxpayer before the date of the enactment of this subsection and which would (but for such payment) have been abated under paragraph (1).”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2007.

(2) ABATEMENT.—Section 53(f)(1) of the Internal Revenue Code of 1986, as added by subsection (b), shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore (Ms. DEGETTE). Pursuant to the rule, the gentleman from Massachusetts (Mr. NEAL) and the gentleman from New York (Mr. REYNOLDS) each will control 20 minutes.

The Chair recognizes the gentleman from Massachusetts.

GENERAL LEAVE

Mr. NEAL of Massachusetts. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to insert extraneous material in the RECORD.

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

There was no objection.

□ 1600

Mr. NEAL of Massachusetts. Madam Speaker, I yield myself such time as I may consume.

The provisions of H.R. 7005, the Alternative Minimum Tax Relief Act of 2008, as scheduled for floor action today, provides alternative minimum tax relief.

Ways and Means Committee Chairman RANGEL and the ranking member, Mr. MCCRERY, have asked the non-partisan Joint Committee on Taxation to make available to the public a technical explanation of the bill. The technical explanation expresses the committee's understanding and legislative intent behind this important legislation. It is available on the joint committee's Web site at www.jct.gov.

I want to thank Mr. RANGEL for his diligent work on a flurry of last minute bills here. There is some urgency to the bill we are debating today. I also want to acknowledge, to his everlasting relief, that this is the last time Mr. REYNOLDS will have a chance to speak on the issue of the alternative minimum tax.

If we do not pass this legislation today, 25 million families will pay higher taxes this year. That is right, this tax relief is for this year. I might add to this conversation that one of the nice things about this bill, despite how tumultuous these days have been for Members of Congress and for the American citizens watching what has happened to their 401(k) plans, this legislation actually provides middle class tax relief. The current patch expired at the end of the last year, and it is urgent that we pass this relief now.

Of those 25 million families facing higher taxes, 84 percent of them earn less than \$200,000. In my constituency alone, families paying alternative minimum tax will rise from 8,000 to 69,000 if we do not enact this patch, and only 500 of those unlucky 69,000 people earn more than half a million dollars annually. Clearly, the alternative minimum tax is not the millionaire's tax it was designed to be.

For the last decade I have sought to repeal or radically reform the AMT because of the unfairness it wreaks on our progressive tax system. The AMT patch we are considering today costs more than \$60 billion, and a reminder to all, next year, \$70 billion. But unlike the version we considered earlier this year, we should acknowledge, this one is not offset. Despite partisan efforts in outreach to the other side on the issue of fiscal responsibility, we have, unfortunately, been unable to find common ground. We have run up against the reality of the closing days of Congress, and this legislation simply must be accomplished.

Again, I want to congratulate Chairman RANGEL on crafting a responsible bill and one which picks up on the good work of our colleagues, Mr. VAN HOLLEN of Maryland and Mr. JOHNSON of Texas, on the issue of incentive stock options. For a decade, Mr. JOHNSON and I have tried to find relief for those taxpayers unfortunately caught with a massive AMT bill on phantom stock gains, and today's bill provides relief by abating penalties and interest on underpayments and by allowing quicker recovery of AMT credits.

The bill we are considering today is a true hold-harmless patch because it not only extends but increases the AMT exemption level. It also extends protection from AMT for taxpayers with personal, nonrefundable credits, such as education credits and the dependent care credits. Otherwise, taxpayers might lose these essential credits to AMT.

I urge adoption of this bill, Madam Speaker.

Madam Speaker, I reserve the balance of my time.

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

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

Mr. REYNOLDS. Madam Speaker, I thank the chairman of the Select Rev-

enue Measures Subcommittee of Ways and Means. Mr. NEAL has been a true leader in the goal of trying to get permanent repeal of AMT, and while it is something that we share, we have not yet reached a solution.

So I find myself rising today on behalf of middle class families all across America in strong support of this bill. As my colleagues well know, I have fought year in and year out for the AMT patch, and I am disappointed that Congress has not addressed a permanent solution. Absent a long-term proposal, I think we have no choice but to once again pass a temporary 1-year fix.

Without patch legislation, more than 25 million families will be hit by this stealth tax. This includes more than 21 million taxpayers who didn't owe AMT in 2007. If Congress does not act, each American affected by AMT will, on average, face a tax increase of almost \$2,500. We delayed action for so long last year that 13.5 million taxpayers were forced to delay filing their returns. Because we did not act earlier this year, millions more have been hanging in the balance.

We have an opportunity to end the uncertainty of the middle class that they have been facing all year long. Each Member of this House has the opportunity to live up to their responsibility and truly help the middle class trapped in this stealth tax that was so unintended for the middle class.

Yesterday the other body passed their bipartisan tax extenders package. The Senate majority leader was as candid as I have ever heard him when he bluntly told the House, "Don't send us back something else. We can't get it passed." He went on to make it clear that if we do, the important extenders we have all been working so hard to accomplish will die and we will have "snatched defeat from the jaws of victory."

In these difficult and uncertain economic times, we have an obligation to pass a bill that can be signed into law as quickly as possible to protect middle class Americans. While I believe our time today would be better spent moving a comprehensive tax extenders package, I am nonetheless pleased to see the majority put up a clean AMT bill before this House.

I thank Chairman RANGEL for his leadership on this legislation and Chairman NEAL for his additional leadership as the Chair of the Subcommittee of Select Revenues.

Madam Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Madam Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Madam Speaker, I thank the Chair of the subcommittee, and I too want to commend the Chair and ranking member of the committee for bringing this important AMT fix before the Congress today.

Madam Speaker, I couldn't agree with my friend from New York more. These 1-year fixes of the alternative

minimum tax are just not sustainable. It is not fair, because it doesn't build in predictability and certainty with the Tax Code. That is why I commend the gentleman from Massachusetts, given the groundwork he has so far laid in trying to find a permanent fix to the AMT dilemma we face in the Nation.

Obviously, none of us in this Chamber or in this Congress would want to see millions of working families wake up on Tax Day realizing that because of bracket creep and the inability to index the AMT, that they are going to be facing a higher tax liability. Given the doldrums that the economy is facing right now, working class families especially can't afford to take an additional tax hit.

But at some point in this Chamber and in this Congress and in this country, we have to start paying for things again. That is why one of the first things that we did as a new majority last year was reinstitute pay-as-you-go budgeting rules. Not because we thought it was going to be easy or simple or fun, but because we thought it would be necessary to restore some fiscal discipline.

While many of us have been working on the extension of tax provisions and making sure AMT doesn't capture more working families, we are trying to do it in a fiscally responsible manner by finding appropriate offsets to pay for it so we are not adding to the debt burden of future generations. That is the great task left before us.

It is unfinished today, because obviously this AMT fix is not paid for, but it is something we have to take up in the next session of Congress, finding a permanent fix, and getting into the Tax Code with major reform, which is coming up next year already.

Again, I appreciate the leadership that the gentleman from Massachusetts and others on the subcommittee have shown so far on this issue. I encourage my colleagues to support it.

Mr. REYNOLDS. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BRADY), a member of the Ways and Means Committee.

Mr. BRADY of Texas. Mr. REYNOLDS, thank you for your leadership, as well as Mr. NEAL, on trying to not only keep more middle class families from being hit by the alternative minimum tax, but hopefully to find a long-term solution where there is no AMT looming over our families.

The truth of the matter is, this was a tax created many years ago to hit the very, very wealthy in America, at the time just 155 or so, who did not pay taxes. Unfortunately, it wasn't indexed. It is now each year more and more attacking middle class families who frankly are still struggling to make ends meet. Then after they do their regular taxes, they find they have a second tax that comes after them and catches them even if they didn't owe on the first.

So this Congress has taken seriously the need to not allow the AMT to hit

more families. This action today makes sure that 24 million American families are not hit by this second tax at an average tax rate increase of about \$2,400. For a lot of families in America, that is real money in a big way.

It is time to repeal the AMT permanently. It is time for both parties to work together to do that. I look forward to the day when we can bury it and help protect our families.

All year long, Republicans have urged Democrats to enact a clean AMT patch without tax increases and to do so in a more timely manner than occurred in 2007.

Last year, House Democrats' insistence on linking the 2007 patch to unrelated tax hikes resulted in the patch being enacted later in the year than ever before, causing headaches and uncertainty for taxpayers and the IRS alike.

On May 21, 2008, and again on June 25, 2008, Republicans supported Motions to Recommit that would have provided a clean AMT patch—without tax hikes. Unfortunately, Democrats opposed those common-sense proposals, putting us on the same regrettable path as last year—toward another historically late AMT patch.

Today, just days before Congress's scheduled adjournment, the Majority has finally acknowledged the obvious: an AMT patch that is offset with tax increases stands no chance of being enacted.

Unfortunately, instead of considering the Senate's comprehensive, bipartisan tax package that addresses not just the AMT patch, but other critically important tax priorities as well, the Majority is pursuing a piecemeal approach that seems unlikely to advance in the Senate.

During debate on the comprehensive Senate package on September 23rd, Senate Majority Leader HARRY REID made precisely this point, stating: "I say to my friends on the other side of the Capitol, the House: 'Don't send us back something else. We can't get it passed.' If they try to mess with our package, it will come back here, it will die, and we will . . . have snatched defeat from the jaws of victory."

While it is a welcome development that Democrats have abandoned their efforts to patch the AMT by raising taxes, the Majority should be working with the Senate to ensure enactment of all our critical tax priorities.

An estimated 26 million taxpayers will owe higher taxes for 2008 because of the AMT, according to the latest Treasury Department estimates. This is sharply up from about 4 million people last year in 2007 that would have been affected if Democrats had not agreed to patch the AMT without tax increases.

The AMT was created in the late 1960s to ensure that fewer than 200 high-income taxpayers couldn't avoid paying any income tax at all. The AMT was intended as a fail safe mechanism, NOT as a tax increase. However, the tax is now hitting the middle class and hitting them hard.

From 1992–2002, the number of filers paying AMT increased tenfold to 1.3 million people. By 2010, nearly 1 in 3 tax filers will be subject to the AMT.

Although the AMT is highly progressive, the distribution of AMT liability will shift toward tax units with lower incomes. In 2006, taxpayers with \$500,000 or more in income will pay 47

percent of the tax. By 2010, they will pay only 16 percent.

Over 80 percent of households with incomes between \$100,000–200,000 and almost half of those with incomes between \$75,000–100,000 will pay the AMT by 2010 (compared to 4.8 percent and 0.7 percent in 2006).

Simply put, Congress should act decisively to prevent \$61.5+ billion of tax increases on the American people. Not patching the AMT means an average tax hike of \$2,400 for over 25 million taxpayers.

Delaying action on patching the AMT hurts taxpayers. According to Treasury Secretary Paulson, the failure of Congress to enact an AMT patch earlier in the year results in delayed tax refunds totaling approximately \$75 billion for as many as 50 million taxpayers. Tax compliance is onerous enough for Americans without Congress getting into the mix to make it even harder!

Mr. NEAL of Massachusetts. Madam Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. Pascrell), a fine member of the Ways and Means Committee.

Mr. PASCRELL. Madam Speaker, the legislation we have before us today arises at a time when our American workers are suffering under a failing housing market and struggling financial market. I want to commend Mr. NEAL and Mr. REYNOLDS for being advocates for this, not just yesterday, but through the past many years. This is an injustice on the middle class in America. We know it very clearly.

I want to commend you, Mr. NEAL, for trying to get this done on a permanent basis and paying for it. The sin of this administration is trying to provide tax relief for folks and not finding a way to pay for it. Now we see what situation we are in. Kudos to you. You stuck to your guns.

The economic burden on the American worker is enormous, and it should compel us to take a bold and affirmative stand on serving their best interests today. As a proud cosponsor of H.R. 7005, the AMT Tax Relief Act of 2008, I want to also thank our distinguished colleague, Chairman RANGEL, for bringing it to the floor.

We must remind ourselves that the impact on the AMT as it currently stands will continue to harm the wrong taxpayer. The AMT no longer targets just wealthy taxpayers engaged in tax avoidance. Instead, it targets the unintended taxpayer, the middle class family.

The AMT is not adjusted for inflation. In the absence of an indexing provision, it is largely responsible for the rising numbers of middle class taxpayers subject to the AMT.

Filers in high-tax States are more likely to face the AMT to a surprising degree. In my State, the State of New Jersey, one of the three highest ranking States in terms of AMT filers, in my home State of New Jersey, \$800 million in AMT taxes were paid last year. The three States of New Jersey, New York and California account for 40 percent of the country's 3.15 million AMT returns, just those three States. You tell me about justice in the tax system.

Texas, a State with 200 percent larger population than New Jersey, has roughly half the number of AMT filers.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEAL of Massachusetts. I yield 1 additional minute to the gentleman.

Mr. PASCRELL. Texas, mind you, with a 200 percent larger population than the State of New Jersey, has roughly half the number of folks who file for the AMT. This is simply not an equitable tax system. It is very clear to all of us on Ways and Means, it is clear to the American people. More and more become eligible, and they have to be informed by those people who do their taxes, "oh, by the way, you are susceptible to the AMT." "What are you talking about?"

This administration has consistently ignored the tough issues. We could have dealt with the AMT permanently if this administration had taken tax reform seriously. But they refused to sit down with this Congress to have these important discussions. Now we need to take a stand and make these significant changes. In a week we will have to take many stands, because we allowed things to get worse.

I urge all my colleagues on both sides of the aisle to vote "yes" on the extension of the AMT relief for 2008.

□ 1615

Mr. REYNOLDS. Madam Speaker, it is now my pleasure to yield 2 minutes to the ranking member of the Rules Committee, who has long been an expert on trade as well as tax issues that affect this body and the country, the gentleman from California, DAVID DREIER.

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

Mr. DREIER. I thank my friend for yielding.

Madam Speaker, I would like to begin by saying that I suspect that after many decades of stellar public service, this will be one of the last times that we see our good friend from Buffalo (Mr. REYNOLDS) who served ably as a member of the Rules Committee for many years and now as a member of the Ways and Means Committee actually manage a measure on the floor. I would like to thank him for his wonderful public service and to say that we are very pleased to be here with this very important measure.

I don't want to be the skunk at a picnic, but I have to point to a couple of very, very important issues. I listened to my good friend from New Jersey (Mr. Pascrell) talk about the fact that Mr. NEAL has moved forward with a measure that is paid for. The fact of the matter is we are waiving PAYGO on this provision which will allow us to deal with this patch for the AMT relief.

We all know back in 1969, 155 millionaires were the target of the alternative minimum tax, as was pointed out by my friend from Houston (Mr. BRADY). The fact is, the indexation has created

a situation whereby millions and millions and millions of Americans are now saddled with this responsibility.

Madam Speaker, what we heard time and time again was that in this new Congress, we were going to have everything paid for. I find it interestingly ironic that here, as we deal with the alternative minimum tax, this measure, we have suspended the rules and waived PAYGO on this. Yet we did not choose to do that when we dealt with the very important issue that the American people wanted us to try to address, and that is to bring gasoline prices down with a responsible energy bill.

We chose to waive it for the farm bill. Unfortunately, again, on the gas issue, we didn't waive it there, and we are waiving it again here.

I would also like to point to the fact that my good friend from New Jersey talked about the fact that his State, I guess, has the third highest number of people impacted by the alternative minimum tax. The issue of repealing the alternative minimum tax is a high priority for many of us. I believe that it should be completely eliminated.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. REYNOLDS. I yield the gentleman 1 additional minute.

Mr. DREIER. I thank my friend.

Let me say that I believe it's important for us to remember that a very short 8 years ago, in 1999, the House and the Senate passed a repeal of the alternative minimum tax. Unfortunately, President Clinton at that time chose to veto that measure.

We can get into the issue of paid for or not paid for, but it's interesting that the measure we are considering today is basically under the same structure that we in 1999 passed the repeal of the alternative minimum tax out under and President Clinton chose to veto it at that point.

Mr. PASCRELL. Will my friend yield?

Mr. DREIER. I would be happy to yield to my friend from New Jersey.

Mr. PASCRELL. The problem is back in 1998 there were just a few people that were eligible. It didn't make it less onerous, but there were many less people that were subject to the AMT tax. That was the difference. You know what the situation is today, my friend from California.

Mr. DREIER. If I could reclaim my time, Madam Speaker, let me just say I concur. But if we had, in fact, in 1999, when President Clinton chose to veto that bill 8 years ago, if we had had that passed, we wouldn't be here dealing with this issue as we are today. I just wanted to make that clear for the record.

Thanks again, and congratulations to my friend from Buffalo.

Mr. NEAL of Massachusetts. Madam Speaker, I appreciate my friend, Mr. DREIER's, comments, about the alternative minimum tax and how we are going to proceed today, but, let me be

blunt, over my objections for the last 8 years, what we talked about today is simply this for the American people that might be viewing this discussion, we are going to borrow the money. I object to it, but I have tried time and again to find concurrence on the other side with a common way forward and have been unsuccessful.

Madam Speaker, I would like to yield 2 minutes to the gentlelady from Nevada, a very valued member of the Ways and Means Committee, Ms. BERKLEY.

Ms. BERKLEY. I thank the gentleman for yielding.

Madam Speaker, I rise in support of the AMT Relief Act. While I strongly believe the alternative minimum tax should be eliminated, this bill will provide a necessary, temporary solution to protect the more than 25 million Americans who would otherwise be hit by the AMT this year.

If this legislation is not enacted, more than 138,000 Nevada taxpayers will see their tax bill increased by the AMT. This includes more than 32,000 hardworking Las Vegas families who were never intended to be affected by this tax.

I am also pleased that the bill contains language to help those who face gargantuan alternative minimum tax liabilities on stock option income that they never actually received. I have several constituents in my district affected by this so-called ISO AMT, including one citizen who received a \$1.2 million tax bill on a \$30,000 stock option gain. This provision will help make these individuals whole.

With the current economic downturn, the rising cost of food and gas, increased unemployment and people losing their homes due to mortgage foreclosure, the last thing Las Vegas needs is a tax increase on thousands of middle class families.

I urge my colleagues to support this legislation.

Mr. REYNOLDS. Madam Speaker, today is solution day. There have been times where I have come to the floor and indicated I was sad over the circumstances we were in. Today I am not sad. We are moving the result of legislation I have introduced since probably 2005, a 1-year patch that protects anyone else from getting trapped in the middle class of AMT and make sure that we do this patch.

I don't believe, and most of the Members on my side of the aisle don't believe you need to raise taxes in order to pay for a tax cut on middle class Americans here.

But I am bringing concern, not sadness, but concern, because Chairman RANGEL and Chairman NEAL have moved this legislation to the floor and that we, I hope, will pass this legislation, as we have in the past, with very strong bipartisan measure. But I don't take lightly a message from the leader of the other body on the closing days of this session that we make sure that we don't fall through the cracks, our

version versus the Senate—the other body—version that could cause this to fall through the cracks and 25 million middle class Americans are trapped.

So while we are looking to move this in the spirit of strong bipartisan support, it's indicative that the leadership of this body make sure that they full well know how we can get the mechanics with the other body to make this law as the President gets it to his desk.

So the caution is we are not quite there yet because we have taken action today. While I like the version of the bill, we have taken our legislative prerogative and advanced it to have just this free-standing AMT bill.

I support however we get the law signed, but I bring the caution that leadership in this House will have to work very closely with the Senate leadership of the other body to match a solution that's law so we don't put our 25 million Americans in the same harm's way of inaction that we have seen in other years past.

Madam Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Madam Speaker, I want to agree with some of what Mr. REYNOLDS said, but I also want to remind the American citizenry today, we have now borrowed hundreds of billions of dollars to fix the alternative minimum tax, only to discover that a temporary patch is hardly a fix.

Think of what we might have done had we adhered to some fiscal rectitude and actually paid for this legislation as opposed to borrowing the money.

The reality is, in a legislative body, that there are some days that you can't get the votes to do what you would like, and this is one of those days.

But be mindful as we proceed to the next session of the Congress that the request for fixing the alternative minimum tax, or patching the alternative minimum tax, you will be out \$70 billion, the following year \$80 billion, maybe more. Then when you calculate the interest that attends to the issue, we quickly find that we will be at \$500 billion to have temporarily patched alternative minimum tax, when we have offered a remedy here to do away with it?

We can argue about percentage of GDP that results in taxation to administer the Federal Government. I have heard that argument. The difficulty with that argument is that it doesn't take into consideration the reality of what we might have done in the intervening time to address the issue.

We have put very thoughtful pieces of legislation to permanently repeal it, to put it behind us once and for all, alternative minimum tax, only to discover that we have had difficulty securing the necessary cooperation to get it done. So, I will be standing here next year, talking about alternative minimum tax, asking for a permanent repeal. I hope, in the atmosphere of tax reform, that we might accomplish that task.

Madam Speaker, I would like to yield 2 minutes to the gentleman from New York, a classmate of mine from 1988, my friend, Mr. ENGEL.

Mr. ENGEL. I thank my friend from Massachusetts for yielding, and it's hard to believe that it has been 20 years. We are classmates, and I am very proud of the work that Mr. NEAL is doing on the Ways and Means Committee.

Madam Speaker, I rise to strongly support the bill, but I want to express the frustration that so many people here have expressed that we are not permanently repealing the AMT. Every year, it seems, we come and we talk about a fix, which we are doing now, which needs to be done, but we point fingers at each other, we play the blame game and somehow or other a total repeal and a redoing of the AMT doesn't happen.

If you come from a high-tax State like mine, like New York, which also happens to be a very high cost-of-living State, people are making more money because it costs more money to live in a high cost-of-living State.

Yet many of these middle class families find that they are being hit with the AMT. Even if we pass this today, as I am sure we will, those families will continue to be hit with the AMT, even though they are middle class, and, as all my colleagues have mentioned, the AMT was never supposed to affect them.

We need to put our heads together and come up with a plan to have alternative means of raising revenue and not have the AMT that affects so many middle class families. We are talking about a \$700 billion bailout for Wall Street, and yet we never seem to have the money to bail out the middle class.

We need to do that. We need to do it, and we need to do it now. We need a permanent fix, not patchwork every year. PAYGO, I am certainly for it, but the main thing is, middle class families should not be harmed by the AMT. And in a State like New York where there is a high taxation and high cost of living, we have a double whammy.

I thank my friend, I support the bill, and I hope that next year we will come back for a permanent fix and finally repeal the onerous AMT.

Mr. REYNOLDS. Madam Speaker, if I might inquire to the chairman if he has any other speakers, I am prepared to close.

Mr. NEAL of Massachusetts. I would be prepared to close upon listening to the eloquence of the gentleman from New York.

Mr. REYNOLDS. Madam Speaker, it's interesting in the debate, and many of us who spoke today and so many others that have come forward in years past have presented the history or the finger pointing or the direction of how we got to where we are.

The important thing is that we know that we must produce a result, even if it's a 1-year patch. It has been admirable, as Chairman RANGEL took over

Ways and Means, a goal he had was to rid the AMT tax from the books. We need to work in a bipartisan fashion, I suspect, to reach that permanent goal.

But as we banter some on PAYGO or pay not, or whether they are in or they are not, it reminds me to think as a Member who will not be going home to campaign, maybe I should spend a little time to see how many times we have waived PAYGO on this bill after we beat up the fact that we should do it, it's the right thing, it must happen. And then at the end of the day, we take the Republican version of not raising taxes. Quite frankly, I don't think we are borrowing money for the bill, we are just not raising taxes in order to prevent a tax increase, particularly one to the middle class which both parties so dearly want to preserve.

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So as we look to the reality of this year, I remind my colleagues, we have caution to get this bill matched with the other body so that we make law in order to send it to the President's desk to protect our middle class taxpayers.

Last year 352 bipartisan Members of the House voted for the AMT extension that was not offset by devastating tax increases, just like this bill coming before us today.

I urge my colleagues to do the same today by supporting this bill so it may be included in a comprehensive tax extenders package equal to the Senate version, or that the other body relinquishes their very clear, strong warning from their leader. Ignoring the other body's warning will not get this across the finish line. So I urge adoption of the resolution, and I thank Chairman RANGEL and Chairman NEAL for their efforts and work to get this before us today as we are in the final days of this legislative session.

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

Mr. NEAL of Massachusetts. Madam Speaker, let me, as I close, acknowledge the work of Chairman RANGEL. He has given me considerable latitude not only on this issue but on a range of other issues within the jurisdiction of the committee. We have come up with some pretty good pieces of legislation during the last couple of years.

What is striking about this debate is we find ourselves in the same predicament where we will once again convene next year to discuss it. Mr. RANGEL's legislation that I helped to author actually repealed the alternative minimum tax and did it in a responsible manner. The fact that we are here today because we couldn't find enough numbers in the House to move forward on the proposal, I think, demonstrates the frustration that we all feel with what has now become a very onerous position for the Congress to entertain.

But I do want to thank my friend, TOM REYNOLDS. And he is my friend. We probably on tax policy disagree on where the sun rises and the sun sets, but it is an example of a friendship

that has been able to supersede any of those differences because after the debate of this House is over, socially he has been a good pal for a long time. And I have the impression that he is not going to miss debating alternative minimum tax when he is back in New York. His position has been steadfast in this arena on the issue of AMT, and we have really worked hand in glove with one minor difference: I think rather than borrow the money, I think we should pay for it. And at the same time, I must tell you, he has been a good and humorous friend along the way, and we will miss his presence in the House and on the Ways and Means Committee.

Madam Speaker, I urge adoption of the resolution.

Mr. BLUMENAUER. Madam Speaker, the alternative minimum tax was introduced to the tax code in 1969 to capture a small number of millionaires who had escaped tax liability. Since that laudable beginning, however, the tax has morphed from a millionaire's tax to a middle class tax.

In fact, a failure to pass an alternative minimum tax patch this year will result in millions of additional families being subject to that tax. In my district alone, H.R. 7005 will prevent over 40,000 additional taxpayers from facing the AMT.

Nationally, the alternative minimum tax would, but for this bill, affect over 50 percent of taxpayers with incomes between \$50,000 and \$100,000 this year. This is a tax on nearly every middle class family—and it falls hardest on those raising a family. A 1-year patch is necessary to protect those families.

It is for those reasons that I reluctantly voted in favor of this legislation. However, a piecemeal, year-by-year approach that places the burden on our children's credit cards is insufficient for a challenge of this magnitude. When Congress returns to this issue, I am looking forward to permanently reforming the alternative minimum tax in a way that does not add to our national deficit.

Mr. LEVIN. Madam Speaker, I rise in support of the Alternative Minimum Tax Relief Act.

I do so because this legislation is necessary to protect 25 million middle class families from a tax that was never intended to apply to them, including more than 53,000 families in my district.

But the bill before us will also increase the Federal deficit by more than \$64 billion.

Earlier this year, we passed an AMT patch in a fiscally responsible manner. We paid for it by closing loopholes and improving the fairness of our tax code.

The minority argued that we should just borrow more money, ignoring the ballooning deficit and mounting debt, and the Bush administration's reckless fiscal policies. At no time did we hear the minority oppose our offsets on the merits. At no time did they argue we should not close these loopholes.

They just engaged in absurd ideological arguments and claimed that closing a loophole is a tax increase.

Today we will take this action to protect 25 million taxpayers because it's the necessary thing to do.

Mr. DINGELL. Madam Speaker, I rise today in support of H.R. 7005, legislation that will provide critical tax relief to 25 million middle

class families and provide a solution to the looming Alternative Minimum Tax crisis. Had Congress failed to act, tens of thousands of my constituents in Michigan's 15th Congressional District would have been required to pay the AMT when filing their 2008 tax return. At a time when middle class families are already finding their budgets stretched thin because of rising costs for things like gasoline, groceries, and health care expenses, imposing an increased tax burden would be unconscionable.

The Democratic majority has shown a continuing commitment to responsible fiscal policies, and made numerous efforts to offset the cost of the AMT fix by closing tax loopholes that allow corporate CEOs to receive deferred compensation from offshore companies. Unfortunately, President Bush and the Republican minority have opposed our efforts to find a way to pay for the AMT fix, and have chosen to pass the cost of this bill onto our children and grandchildren rather than require the wealthiest Americans to pay their fair share of taxes.

This is especially disappointing because the expansion of the AMT was an accounting gimmick designed to make the Bush tax cuts for the wealthy more affordable. Since the enactment of those tax cuts, the President has committed us to a war that costs hundreds of billions of dollars every year and the budget deficit has exploded. Despite inheriting balanced budgets, President Bush's irresponsible fiscal policies have caused the national debt to rise to nearly \$9 trillion; three times the size of our debt when President Clinton left office. Clearly, it is time for a change. I look forward to working with a new President next year to find a way to enact a permanent AMT fix, and rewrite our tax laws and put an end to irresponsible Bush fiscal policies.

Mr. SHAYS. Madam Speaker, I rise in strong support of the passage of the Alternative Minimum Tax patch we are considering today that will prevent the AMT from affecting an additional 20 million taxpayers in 2009. I am pleased that we are considering this legislation now, which should give taxpayers and the Internal Revenue Service plenty of time to prepare for this important tax change.

According to a 2007 study by the Tax Foundation, Connecticut's Fourth Congressional District, which I represent, is the seventh most affected district by the AMT. Over 10 percent of our residents' tax returns are subject to the AMT, and the average tax liability of those affected by it is \$5,235 per return.

I would prefer us to be considering an AMT bill today that is offset by a combination of spending cuts and temporary revenue increases, but I am pleased that we are not considering legislation that pays for a 1-year fix in the process with a permanent revenue increase.

Finally, I urge Congress to take up legislation soon that would fully repeal the AMT permanently. While the revenue loss will need to be made up in other ways, it was never the intent for the AMT to affect 41 million taxpayers, which it could by 2013 if it is not changed.

I thank the Ways and Means Committee for bringing this legislation to the floor and urge its adoption.

Mr. ETHERIDGE. Madam Speaker, I rise in support of H.R. 7005, the Alternative Minimum Tax Relief Act of 2008.

H.R. 7005 is critical to easing the burden on middle-class taxpayers. The Alternative Min-

imum Tax, AMT, was originally intended to ensure that the Nation's wealthiest taxpayers were not able to avoid paying taxes altogether. However, it was not indexed for inflation, and today millions of middle income Americans who pay their taxes as required would see a huge tax increase because of the AMT. In my district alone, over 30,000 people would be affected by the AMT this year. H.R. 7005 provides 1 year of AMT relief to protect ordinary taxpayers who are threatened by this extra tax by increasing the amount of income exempt from the Alternative Minimum Tax. In addition, this bill would protect individuals who exercised incentive stock options from being required to pay tax on gains that never materialized. This legislation will protect over 25 million middle-class families from paying the AMT.

I would have preferred that this bill was fully paid for. I supported H.R. 6275, the 1-year AMT patch legislation that the House passed in June of this year. This bill was fully offset and did not add to the deficit. Unfortunately, the Administration and Senate Republicans have continued to ignore fiscal responsibility and have threatened to veto any AMT bill that includes offsets. However, H.R. 7005 is a crucial part of providing tax relief to millions of middle-income Americans and strengthening our lagging economy.

I support H.R. 7005, the Alternative Minimum Tax Relief Act of 2008, and I urge my colleagues to join me in voting for its passage.

Mr. NEAL of Massachusetts. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. NEAL) that the House suspend the rules and pass the bill, H.R. 7005.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. NEAL of Massachusetts. Madam 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.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. HASTINGS of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 110-879) on the resolution (H. Res. 1490) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. HASTINGS of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 110-880) on the