

Paying taxes is never going to be popular, nor is it ever going to be fun. However, we all know it does not have to be as bad as it is. A great deal of the aggravation, a good share of the complexity, and much of the confusion is probably unnecessary.

I could spend many hours speaking about what is wrong with our tax system. It is, in military parlance, a target-rich environment. In fact, I expect we will hear a fair number of our colleagues speaking today and tomorrow on the Senate floor deploring the tax system. But amid all this denouncement of the IRS and the Tax Code, we in Congress should recognize an ugly truth; that is, a great deal of the blame for our far less than first-rate tax system lies right here with us, the Members of Congress who created it and who have the power to improve it.

I wish to focus on a disturbing trend we have seen growing much worse in recent years that is adding a great deal of stress to our already troubled tax system. This is the increasing tendency of the Congress to create temporary tax provisions and then allow them to expire while leaving taxpayers in limbo as to what the rules are going to be.

If we take a look at over the past dozen or so years, we see a growing proclivity on the part of Congress to enact tax provisions on a temporary basis rather than permanently. This has mostly been done to satisfy the often perverse demands of our budget rules.

But whatever the reasons, the effect of not extending these provisions before they expire has been greatly damaging to the tax system and to taxpayers' ability to understand and rely on the law. The effect has been to weaken this country economically and competitively.

Let us consider the research credit as an example. This is an important provision that has been in the law since the early 1980s, and it enjoys wide and bipartisan support in both the House and the Senate.

The research credit provides a strong incentive for businesses to increase their research and development activities in the United States. It probably is universally accepted that R&D investment is the lifeblood of high technology and is vital to the future of our economic leadership.

We all know this, and almost to a person, the Members in this body would say they support a strong, vibrant, effective, and permanent research system. Why then have we allowed this credit to expire 13 times?

Here we are, once again, in mid-April and our research credit has been expired since the end of last year. The worst part is, while we all believe it will be extended eventually, everyone knows the credit will not be made permanent, and the likelihood it will be allowed to expire again is very high.

In the meantime, many of our global trading partners have developed stronger and more permanent research

incentives in an attempt to lure away research from our shores. They perceive a weakness in our incentive system, and they are moving to capitalize on this very weakness. It appears these actions are working because we are seeing the amount of research activity in the United States growing much more slowly than it is overseas. We simply cannot afford to lose to other countries our research and the jobs that research brings.

Unfortunately, this problem goes way beyond the research credit. Each year, the Joint Committee on Taxation releases a list of expired and expiring tax provisions. The list for 2008 was 28 pages long and included an unbelievable 145 provisions. By contrast, the list released in 2003 was 13 pages and featured 71 provisions. Fifteen years ago, there would not have been much of a list at all.

Our habit of adding new expiring provisions in the tax law is out of control and, worse, our refusal to deal with extending these provisions on a timely basis well before they expire is inexcusable.

It is the obligation of the majority party in Congress to operate the legislative trains so they run on time and produce laws on which our people can at least rely, if not be proud of. While there is blame to spread between both parties in this area of expired tax provisions, which have such a degenerating effect on our already shaky tax system, we all know who is at fault for the current fiasco.

I do not think anyone in this body will have trouble recalling the weeks-long standoff that occurred late last year over the so-called AMT patch. All of us, though, would probably prefer to forget it if we could.

Instead of addressing the issue of alternative minimum tax and its expired thresholds early on, which would have lent a degree of certainty to an already obnoxious and insidious tax, the Democrats last year dithered on both the AMT patch and on the other soon-to-expire provisions.

The result was a last-minute agreement on the AMT patch that put this year's tax filing season in jeopardy, greatly confused the American taxpayers, and left behind the other now-expired tax provisions. Perhaps most stunningly irresponsible was the fact that we took care of the AMT patch for 2007 only, and now we are facing the same scenario for this year. It must have been so much fun last year that we want to do it again in 2008.

I am very aware of the arguments surrounding the question of whether extending these provisions should be offset, and I will address those on another day.

Today, however, on the eve of America's most hated day, I call on my colleagues, and especially those on the other side of the aisle, to consider why this is so and what it is we are not doing that is the reason why the words "April 15," "IRS," and "Congress" are among the least popular in the lexicon.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. CORNYN. Mr. President, I ask unanimous consent to be recognized following the remarks of the Senator from Oregon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oregon.

TAX REFORM

Mr. WYDEN. Mr. President, for the next 33 hours, millions of Americans will face mindless, relentless, needless tax torture trying to shovel their way out from under an avalanche of bureaucratic forms as they struggle to complete their taxes.

Citizens Against Government Waste has calculated that Americans spend 4.3 billion hours each year filing their tax returns and complying with our tax laws. That is a lot of time to spend on something that is about as interesting as prolonged root canal work.

My guess is many Americans would rather read the phonebook than our Tax Code, and the phonebook is actually a lot shorter. So I am going to give one example of the heavy reading Americans have in front of us over the next 33 hours.

The alternative minimum tax, of course, is a killer tax for millions of Americans. It calculates taxable income differently than the regular tax. It adds a whole new layer of complexity to the Code and headache for our citizens. So I am going to read one of the portions of the AMT rules that clobber our middle-class taxpayers, and it is the one that is used to calculate the size of the interest deduction middle-income folks are allowed in our country.

Under section (C), it reads:

In determining the amount allowable as a deduction for interest, subsections (d) and (h) of section 163 shall apply, except that—

(i) in lieu of the exception under section 163(h)(2)(D), the term "personal interest" shall not include any qualified housing interest (as defined in subsection (e)),

(ii) sections 163(d)(6) and 163(h)(5) (relating to phase-ins) shall not apply,

(iii) interest on any specified private activity bond (and any amount treated as interest on a specified private activity bond on under section 57(a)(5)(B), and any deduction referred to in section 57(a)(5)(A), shall be treated as includible in gross income (or as deductible) for purposes of applying section 163(d),

(iv) in lieu of the exception under section 163(d)(3)(B)(i), the term "investment interest" shall not include any qualified housing interest (as defined in subsection (e)), and

(v) the adjustments of this section and sections 57 and 58 shall apply in determining net investment income under section 163(d).

It is obvious to all who are still awake at this point, since I have gone through just one of the sections, this is not exactly clarity in American Government. I cannot find anybody who can get through this. I would go through it again, but I only have 10

minutes since our friend, Senator CORNYN, is here for his remarks.

These words were actually written by a human being. The only thing more bizarre than the fact somebody thought they made sense was the language was then made law by another group called the Congress. So there is a reason the dictionary definition of the adjective "taxing" means "wearingly burdensome."

This burden is especially hard on small businesses. Small businesses are the engine that keeps our country going, but it is amazing they can move at all under the weight of what the Tax Code subjects them to.

The National Association of the Self-Employed is today releasing results of a survey of their members that shows what the 45 million small businesses and self-employed persons are going through with their taxes.

The group's survey, for example, found that almost one in five people who had gone to the IRS to get answers to their tax questions got conflicting responses, sometimes even from the same office.

The time small businesses waste complying with the tax laws is mind-boggling. Thirty-one percent of them recently said they spent 20 percent or more of their time every week on paperwork and other tax-related preparations. That is 1 day a week totally lost to tax preparation. That is a huge penalty that is being imposed on small business for complying with the rules of the IRS.

Another group suffering with our Tax Code is our older people. During the 2004 tax year, the IRS mailed 200,000 error notices to older Americans who miscalculated their taxes. Mr. President, 34,000 went to taxpayers who received the same notice in 2 tax years; 10,000 went to taxpayers who received it in 3 tax years.

What does all this tell you? It tells you the IRS cannot make their explanations understandable to the Nation's older people.

There was one word that kept coming up in this survey over and over. The people surveyed said: You have to simplify the Code, simplify our tax system.

That is what I am trying to do with the legislation I have introduced as a Member of the Senate Finance Committee. It is called the Fair Flat Tax Act, and it eases the burden on our taxpayers by offering them a simplified 1040 Form. Instead of this kind of mumbo-jumbo, it is 1 page, 30 lines for every individual taxpayer. The folks over at Money magazine, the financial publication, took the one-page 1040 form in the fair flat tax, and they could fill out their taxes in just 15 minutes.

The legislation makes our code flatter. It collapses the current system of six individual tax brackets down to three. The fair flat tax eliminates scores and scores of special interest tax breaks. The revenue derived from these changes is used to hold down the rates for everybody and keep progressivity.

More importantly, with the fair flat tax everybody in America has a chance to get ahead. There is a new opportunity with this legislation to promote economic growth, to grow the American economic pie, which is especially important during these times of great economic uncertainty.

One last point. For all of us on the Finance Committee—and I think Senators of both parties understand this—there is a Tax Code meltdown coming. The child tax credit ends in 2010, the marriage penalty roars back in 2011, and it comes back harsher than ever. The same meltdown is going to hit other income taxes—capital gains, dividend taxes—and if Congress doesn't come up with a thoughtful and responsible bipartisan solution, there is going to be new chaos in the world of taxes.

I have tried this afternoon to be a little bit lighthearted in discussing what is certainly a pretty dry topic for most Americans. But when you look at what they are going through tonight, if you are middle class and you are dealing with AMT, this is obviously not a laughing matter. The people of this country need tax reform, and they need it now. The fair flat tax would make our system simpler, fairer, and more pro-growth. It makes sense for individuals, for families, and the businesses of our country. The Congress cannot any longer ignore the tax meltdown that is coming. It is time to fix the broken American tax system and eliminate this kind of needless suffering that so many of our citizens are going to endure over the next 33 hours.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. CORNYN. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CORNYN. I thank the Chair.

(The remarks of Mr. CORNYN pertaining to the introduction of S. 2852 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

COLOMBIAN FREE TRADE AGREEMENT

Mr. CORNYN. Mr. President, I have been listening to my friend and colleague, Senator WYDEN, talk, and I am going to study his bill. It sounds like it is an answer to a long overdue problem and one that, as he said, is a train wreck getting ready to happen. This is something we ought to be able to work on in a bipartisan fashion, and I look forward to studying his proposal.

I want to spend just a few minutes talking about another important issue when it comes to our economy and job creation, and that is the Colombian Free Trade Agreement, which the Speaker of the House, last week, said she would not allow to come to the floor of the House of Representatives.

It now remains indefinite as to when, if ever, that free-trade agreement would be allowed to come to the floor.

It is very important for the public to understand that this is more than just about free trade. It does, not coincidentally, create a market in Colombia for about \$2.3 billion in goods and farm commodities sold by the State of Texas into Colombia. And because of a previous Andean Free Trade Agreement, actually Colombian goods coming into the United States bear no duty or tariff, but goods made or grown in Texas or throughout the United States currently bear a duty that would be eliminated by this Colombian Free Trade Agreement.

Now, that is important because it creates jobs and opportunity in the United States. It levels the playing field, and it creates a situation where Colombia and the United States can become equal partners when it comes to commerce and international trade.

But this is important for many other reasons. Because of the war on terror, much of our attention recently, of course, has been focused on the Middle East. But we must be careful not to neglect other parts of the world that are also very important to U.S. security and our economic prosperity, and that is particularly the case in our own hemisphere. Not the least of these important regions is one of the closest to us; that is, Latin America. Unfortunately, Latin America's close proximity hasn't always translated into close ties and friendships. We have seen firsthand and heard firsthand how some Latin American leaders—most notably Hugo Chavez of Venezuela—have taken strong stances against the United States. That is one reason it is so important we embrace wholeheartedly our friends and allies and partners in the region.

Countries that share our focus on freedom and democracy and work with us to fight against terrorism and the spread of narcotics need our support to counter those who support, tacitly or otherwise, the spread of hateful anti-American ideology and militant extremism and criminal drug cartels. We must remember, if we do not stand with our friends, if we do not stay involved in Latin America, someone else will.

Already, nations such as China and Iran have dramatically increased their alliances and influence within the region. Not long ago, President Ahmadinejad of Iran toured Latin America, strengthening Iran's ties to the likes of Hugo Chavez and leaders of the terrorist group known as FARC.

Not long ago, I met with the commander of the U.S. Southern Command, the U.S. military official who is in charge of that region from the standpoint of the Department of Defense, Admiral James Stavridis, and I talked with him about current issues, current developments, and challenges that our Nation faces in his area of responsibility, which includes Latin