

income taxpayers receive most of the benefit from this tax expenditure because they also pay most of the state and local income and sales taxes.

Tax-Free Portion of Social Security Benefits: Just 2% of the tax benefit from favorable tax treatment of Social Security goes to recipients with income exceeding \$200,000.

Real Property Taxes: While some may say that only those with villas are taking the property tax deduction, 75% of the real property tax benefit goes to taxpayers with less than \$200,000 of income.

Education Credits: Once again, 100% of the benefit goes to taxpayers with income under \$200,000.

Medical Expense Deduction: 88% of this tax benefit goes to taxpayers with income under \$200,000.

Child Care Credit: This is a modest tax credit targeted for taxpayers that incur child care costs in order to work. Like the child tax credit, it mainly benefits low and middle income families. 95% of the benefit goes to taxpayers with income under \$200,000.

Student Loan Interest Deduction: This tax benefit is phased out as a taxpayer's income rises. All of the benefit goes to taxpayers earning less than \$200,000.

10 LARGEST TAX EXPENDITURE ITEMS

JCT ESTIMATED 5 YEAR (2012–2016) AMOUNTS

1) \$707 Billion—Exclusion of Employer Provided Health Insurance and Health Care Benefits

Employer paid premiums for health insurance and other health benefits are generally not included in the employee recipient's taxable income and are also not subject to employment taxes. In addition, employees can usually pay for their share of employer provided health insurance and other health benefits with pretax earnings.

2) \$649 Billion—Tax Deferred Retirement Savings Plans

Both employer and employee contributions to pension plans are generally excluded from taxable employee compensation. Earnings on pension plan assets are also tax exempt. Employees are taxed upon receipt of pension plan distributions. Taxpayers accumulate savings for retirement more rapidly with this benefit of tax deferral.

3) \$596 Billion—Reduced Tax Rates on Long-term Capital Gains & Dividends

Recently enacted legislation has dramatically increased the taxation of both long-term capital gain and qualified dividend income for high income individuals. The tax rate for these high income individuals has increased from 15% to 20% beginning in 2013. This increased rate is lower than the maximum rate applied to ordinary income which is now 39.6%.

4) \$402 Billion—Deduction of Nonbusiness State & Local, Income, Sales, Personal Property and Real Property Taxes

Individual taxpayers can deduct amounts paid for non-business state and local income, sales, real estate and personal property taxes as an itemized deduction.

5) \$364 Billion—Deduction for Mortgage Interest on Owner Occupied Residences

Interest on home mortgage loans may be deducted. There is a \$1,000,000 limit on the maximum qualifying loan amount and it can be used to carry up to two taxpayer residences. Interest on additional indebtedness of up to \$100,000 is also deductible when such indebtedness is secured by the taxpayer's primary residence.

6) \$320 Billion—Earned Income Credit

The earned income tax credit is designed to subsidize the wages of low and moderate

income taxpayers. The credit is greatly enhanced when the taxpayer is also supporting children. This credit is fully refundable in the case of taxpayers that have no income tax liability because of other provisions in the tax system such as the standard deduction and personal and dependency exemptions.

7) \$289 Billion—Child Tax Credit

Under current law taxpayers are entitled to a partially refundable tax credit in the amount of \$1,000 for each qualifying child under the age of 17. The credit is phased out for high income taxpayers.

8) \$240 Billion—Exclusion of Cafeteria Plan & Other Employee Fringe Benefits

Under current law an employer's qualified cafeteria plan allows employee participants to voluntarily reduce their otherwise taxable compensation so that the reduction can be used to purchase certain benefits such as health insurance and dependent care with before-tax earnings. Repeal of this provision would cause employees to purchase these benefits with after-tax earnings.

9) \$236 Billion—Exclusion of Capital Gains at Death

Under current law the tax basis of property included in a decedent's estate is adjusted to fair market value on the date of death. Accordingly, the gain element in a decedent's appreciated property escapes income tax.

10) \$225 Billion—Deduction for Charitable Contributions

Individual taxpayers can deduct gifts to qualified charitable organizations as an itemized deduction. When a taxpayer makes a gift of long-term capital gain property (i.e., appreciated stock) the amount of deduction is equal to the value of the gift. Accordingly, the capital gain in the gifted property is not taxed.

[March 25, 2015]

DEBUNKING THE MYTHS OF SO-CALLED TAX EXPENDITURES

Some in Washington have claimed that eliminating tax expenditures is the same as getting rid of wasteful spending or closing unwanted loopholes. The reality is somewhat different. Middle-class families would hardly agree that incentives to save for college and retirement or to buy a home are loopholes. Here's a closer look at the myths of tax expenditures:

Myth: Tax Expenditures Are Spending.

Fact: The federal government cannot spend money that it never touched and never possessed. Tax expenditures let taxpayers keep more of their own money. And only by the public consent is the government permitted to take some of it in taxation to pay for certain public goods. When tax hike proponents say we are giving businesses and individuals all this money in tax expenditures, they are incorrectly assuming that the government has that money to give in the first place, when in fact it does not. To the contrary, the government never touches the money that a taxpayer keeps due to benefitting from a tax expenditure, whereas with spending, the government actually collects money from taxpayers and then spends it.

Another difference between tax expenditures and spending is that reducing or eliminating a tax expenditure without an offsetting tax cut to reach a revenue neutral level will cause the size of the federal government to grow, while reducing or eliminating spending causes the size of the federal government to shrink.

Myth: Tax Expenditures are Loopholes.

Fact: This is deliberately inaccurate. A loophole is something that Congress did not intend and would generally shut down, at

least going forward, once it learned of the loophole. Tax expenditures, by contrast, were generally placed by Congress into the tax code deliberately. For example, the largest tax expenditure is the exclusion for employer-provided health insurance and benefits. The second-largest: the home mortgage interest deduction.

Whether you agree with a particular tax expenditure or not, an honest debate requires recognition that tax expenditures were designed by Congress with economic or social goals in mind and are not inadvertent loopholes.

TRIBUTE TO RICHARD F. CHOVANEC

Mr. HATCH. Mr. President, I rise today to recognize a dedicated public servant for his exemplary service on the Senate Finance Committee. Richard Chovanec will return to U.S. Customs and Border Protection after 3 years of service as a detailee on my staff.

During his tenure, Mr. Chovanec was instrumental in crafting the Trade Facilitation and Trade Enforcement Reauthorization Act of 2013 that I introduced with former Senator Max Baucus during the 113th Congress. This legislation would codify the important work that U.S. Customs and Border Protection does to facilitate trade, protect intellectual property, and enhance our economic security. I hope Mr. Chovanec's contributions will ultimately lead to successful reauthorization of the agency as we continue to work on this legislation.

Mr. Chovanec earned a bachelor's degree from Virginia Tech and a law degree from the College of William and Mary in Williamsburg, VA. He later joined U.S. Customs and Border Protection as an attorney-advisor in the Office of International Trade. He concurrently serves as an adjunct professor of law at Georgetown University in Washington, DC.

I would like to wish Mr. Chovanec the very best and to thank him for his exemplary service.

TRIBUTE TO MARILYN CORMIER

Mr. LEAHY. Mr. President, tucked away in the mountains, hills, and valleys of Vermont is a widely recognized, vibrant college campus that also happens to be my alma mater—Saint Michael's College. To students, faculty, staff, and alumni alike, the Saint Michael's community is almost like a family: once you become a part of it, it becomes part of your life. Later this year, one of our campus's family members—Marilyn Cormier—will leave the grounds of Saint Michael's, retiring after nearly 33 years of dedicated service to the college. Marilyn is known to many, and all who have worked with her have admired her tenacity, her love for Saint Michael's, and her commitment to the institution she has called home for over three decades. I will miss her.

In 1982, Marilyn traveled halfway around the world from her home in Sri

Lanka and landed at Saint Michael's. She started working in the Office of Academic Affairs, ultimately becoming the director of government and community relations and the secretary of the board of trustees, the position from which she will retire. Marilyn's passion for connecting the academic community of Saint Michael's with surrounding Vermont communities and communities across the country and abroad has made her a valued mentor to students and faculty alike. St. Mike's could not have had a more effective ambassador, champion, and problem-solver than Marilyn has been in this crucial role. Her energy is only matched by her creativity and her clear, sharp focus on what matters.

Marilyn's considerable talents also benefited the Vermont Council on World Affairs, an organization headquartered at Saint Michael's College. As a member of the board of directors, Marilyn has connected students with cross-cultural opportunities throughout Vermont and across the globe. In 2012, Marilyn helped to organize a delegation of representatives visiting the French city of Honfleur. It was a treat for both Marcelle and me to be a part of that special visit.

Over the years, I have crossed paths with many people connected to Saint Michael's, from public figures in the Nation's Capital, Vermont and across the country, to visitors in my office, to members of my own staff. One constant in each of these encounters is the praise they have for Marilyn for her work in helping so many students achieve their goals. She has empowered students to become leaders in their communities. I know these are commitments that will continue, even as Marilyn prepares for this exciting next chapter in her life.

Saint Michael's is a special place that many visit and come to call home. So it has been for Marilyn Cormier. Marcelle and I wish our dear friend all the very best.

NAACP LEGAL DEFENSE AND EDUCATIONAL FUND, INC., 75TH ANNIVERSARY

Mr. LEAHY. Mr. President, this year marks the 75th anniversary of the NAACP Legal Defense and Educational Fund, Inc., one of the great civil rights organizations in the Nation's history. Seventy-five years ago, Thurgood Marshall established LDF or the "Inc. Fund"—as it was commonly known then—as a separate legal entity. The efforts of the men and women of this organization throughout the years have transformed our Nation for the better. I am grateful for the leaders who have dedicated their lives to the perennial effort to move this country toward a more perfect union. I would extend a special thanks to Sherrilyn Ifill, the current president and director-counsel of LDF; Leslie Proll, the director of the Washington, DC, office; and Debo Adegbile, the former acting

director-counsel of LDF. Their dedication is emblematic of the hard-working staff of the Legal Defense Fund.

Most of us know about LDF's work to dismantle segregation in the historic *Brown v. Board of Education* case, but the organization's advocacy for civil rights extends far beyond litigating groundbreaking cases. The grass roots leaders of LDF have also helped achieve greater racial justice through its legislative efforts, including working with members from both sides of the aisle in Congress. The Legal Defense Fund has contributed its knowledge and expertise on issues such as voting rights, equal employment access, fair housing, education and criminal justice, and their efforts have resulted in legislation and policies that have improved the lives of millions of Americans.

This year, as we celebrate the 50th anniversary of the march from Selma as well as the 75th anniversary of LDF, I once again urge my fellow Senators to join our effort to restore the protections of the Voting Rights Act that were gutted by the Supreme Court's narrow majority in *Shelby County v. Holder*. The best way to honor civil rights heroes such as Thurgood Marshall, and all the men and women of LDF, is to enact real and meaningful legislative reforms that advance the principles of equality for which those individuals dedicated their lives.

RECOGNIZING MOUNT SNOW'S 60TH ANNIVERSARY

• Mr. LEAHY. Mr. President, it is a pleasure to point out that we are completing another brisk ski season at one of Vermont's fabled slopes, Mount Snow. This year marks the 60th anniversary of winter sports at Mount Snow, and while the temperatures dropped well below zero for many weeks, outdoor enthusiasts of Vermont and from far beyond have descended on Dover, VT, to embrace Mother Nature's challenge, and they have enthusiastically embraced the joys and challenges of our gorgeous mountainous terrain.

Mount Snow was born in the 1950s as Alpine skiing solidified itself as a popular American sport. It has been a vital contributor to the economies of Vermont and New England ever since. Since its birth as one of Vermont's go-to ski slopes, Mount Snow has been an innovator and a pioneer, staying ahead of the industry and adding features to the resort that are now commonplace at ski areas throughout our country and the world.

As Mount Snow enters a new phase in its development, its future will include state-of-the-art advancements with a new ski lodge to meet skier needs and an expanded snowmaking infrastructure to ensure snowmaking is available across the mountain. As the closest mountain to Boston and New York City, these improvements will only encourage more people to choose Vermont as their primary destination for skiing and riding.

I want to congratulate the entire team at Mount Snow for 60 years of great and vibrant winter activity, and I look forward to all they have planned for the future. I ask unanimous consent that an article from the *Manchester Journal* sketching Mount Snow's history and planned growth be printed in the RECORD. •

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the *Manchester Journal*, Nov. 22, 2014]
MOUNT SNOW TO MAKE MAJOR IMPROVEMENTS
(By Brandon Canevari)

DOVER.—Mount Snow—which is celebrating its 60th anniversary this year—is about to undergo some significant changes.

The resort has had a master plan in place for a while now, which is now in motion.

"We're seeking financing for a couple of major capital projects," said Mount Snow Communications Director Dave Meeker. "Thus far it's been very successful and we're well on our way to reaching our goal. It's a total investment of about \$52 million dollars."

One of the two major projects that resort is looking to begin is the construction of a 20 million gallon snowmaking water reservoir called West Lake.

"That is really going to be the biggest step towards our goal of having 100 percent snowmaking coverage on the mountain," said Meeker.

Once they begin the project, Meeker said that it will probably take about two years to complete.

"It will take a couple years to get it completed because it's not just excavating the pond. It's installing the new pipes, installing the new facilities to push the water to the mountain," said Meeker. "There are just a lot of other components that go along with constructing a reservoir that size and with all the machinery and stuff that goes along with it."

The other components to the project are installing snowmaking pipes, pump houses, booster houses and the other components that are needed for snowmaking.

The other major component to the first phase of the plan is the construction of a 36,000 square foot base lodge at Carinthia Parks at Mount Snow.

"It'll have skier services, food and beverage, retail, all sorts of stuff. So, it will be a great improvement over to the base area at Carinthia," said Meeker.

Depending on how financing goes, Meeker said that the resort could break ground on West Lake as early as next summer. When they will be able to build the base lodge and make some of the other improvements that they are planning though is still uncertain.

"The timeline really depends on financing," said Meeker. "Our planning director, they've been globe-trotting basically, going out and seeking investors and we've been very successful so far. So . . . if we had all of the investors today we'd be making plans to break ground as soon as possible. So, it really hinges upon when we are able to get enough investors to secure the financing to begin these projects."

The mountain installed 645 new low-energy snowmaking guns this year as part of their master plan as well.

"That would have been a big component to the improvements that we would be making in future after building West Lake, but we had the opportunity to take advantage of a program that was offered by Efficiency Vermont this year to upgrade our snowmaking system to all low-energy guns,"