Additionally, Mr. Engel worked on President Trump's transition and Justice Department landing team, but, he would not tell the Judiciary Committee what matters he worked on, which is troubling.

I asked Mr. Engel to provide reassurance that, if he is confirmed, OLC will operate independently from President Trump. His response? He said he was deeply committed to the independence of OLC and said, ''I demonstrated that commitment in my prior service in the Office, as well as in my activities in private practice and my volunteer work for the Trump transition team.'' It is hard for me to understand how Mr. Engel's work for the Trump transition—work that he would not even discuss with the committee—is supposed to reassure us about his independence from President Trump. To the contrary, I fear that by refusing to discuss his transition work, Mr. Engel has already started covering for Mr. Trump.

Perhaps the most telling response Mr. Engel provided when it comes to demonstrating independence from President Trump is this. I asked him this question in writing:

> According to news reports, in a January 27th dinner, President Trump asked then-FBI Director James Comey if Comey would pledge his loyalty to President Trump. Do you believe it is appropriate for a President to ask a Director of the FBI to pledge loyalty to the President?

His response? ''I do not have any knowledge concerning the communications between President Trump and former FBI Director Comey.'' This is not a hard question. I wasn't asking Mr. Engel about the specific conversation between President Trump and the FBI Director. Here is the easy answer that he should have given: It is wrong and unethical for a President to ask an FBI Director—or any Justice Department or FBI official—to make a personal loyalty pledge. If Mr. Engel can't get the easy questions right, what will he say when challenging questions come before OLC?

For example, what if President Trump asks OLC to revise the 1974 OLC memo concluding that a President cannot pardon himself? Would Mr. Engel cave to the President's whims? Or what if President Trump asks OLC to justify some pretext for the firing of Special Counsel Mueller? Are my Republican colleagues confident that Mr. Engel would stand strong?

Here is the bottom line. Many of my Republican colleagues talk and tweet about their concerns when President Trump disrespects the rule of law, but talk and tweets are cheap. If they are truly concerned about President Trump's actions, they need to vote in a way that serves as a meaningful check on President Trump. Our Nation needs the Office of Legal Counsel to serve as a check on the President's worst impulses. We need them to stand strong when the President berates the Justice Department and urges it to ignore legal norms and processes.

I am concerned that Mr. Engel has not demonstrated the independence and judgment we need from the head of this critical office. Therefore, I cannot support his nomination.

The PRESIDING OFFICER. The Senator from South Dakota.

TAX REFORM

Mr. THUNE. Mr. President, we are getting close to making tax relief for Americans a reality. Last week the House released its tax reform bill, and this week we expect the Senate Finance Committee to release our version. In the coming days, the tax committees in both Houses will review the bills, and then we will debate them on the floor and develop a final version.

After years of economic stagnation, Americans are ready for relief. They are ready to keep more of their hard-earned money. They are ready to finally see a real pay increase, and they are ready for access to more economic opportunity. That is what our tax reform bill is going to provide.

To start with, our bill is going to put more money in Americans' pockets by lowering their tax rates and doubling their standard deduction. Under our bill, a family making $24,000 a year or less will not be paying any taxes, and families making more than $24,000 a year will be paying significantly less than they are paying today. We are also going to help families by substantially increasing the child tax credit, and we are going to simplify and streamline the Tax Code so that it is easier for Americans to figure out what benefits they qualify for so they don't have to spend a lot of time and money filing their taxes.

But that is only the beginning. Americans don't just want to keep more of their hard-earned money. They also want to be making more of it, but Americans have had a hard time doing that lately. Wages have been stagnant for years, and new opportunities have been hard to find.

So in addition to reforming the individual side of the Tax Code, we are going to reform the business side so that we can give Americans access to the kinds of jobs, wages, and opportunities that will set them up for a secure future. In order for individual Americans to thrive economically, we need American businesses to thrive.

Thriving businesses create jobs, they provide opportunities, and they increase wages and invest in their workers. Right now, though, our Tax Code is not helping businesses thrive. Instead, it is strangling both large and small businesses with high tax rates. Small businesses are incredibly important for new job creation. They play a huge role in the economy in my home State of South Dakota and other States all across the country, but the high tax rates that too many small businesses currently face can make it difficult for them to even survive, much less thrive and expand their operations.

So we are going to lower taxes for small businesses so that they can grow and hire new workers. We are also going to allow small businesses to recover their capital invested in things like inventory and machinery more quickly, which will free up capital so they can use that to expand and create jobs. Right now it can take small businesses years, or in some cases even decades, to recover the cost of their investments in equipment and facilities. That can leave them extremely cash poor in the meantime, and, needless to say, cash poor businesses have a hard time expanding, hiring new workers, or increasing wages. Allowing small businesses to recover their investments more quickly will mean more jobs and more opportunities for American workers.

In addition to high tax rates on small and large businesses, another thing that is decreasing jobs and opportunities for American workers is our outdated worldwide tax system, which is discouraging American companies from investing their profits here at home in American jobs and American workers. Having a worldwide tax system means that American companies pay U.S. taxes on the profit they make here at home as well as on part of the profit they make abroad once they bring that money back to the United States. The problem with this is that American companies are already paying taxes to foreign governments on the money they make abroad. Then, when they bring that money home, they too often end up having to pay taxes again on part of those profits and, I might add, at the highest tax rate in the industrialized world. It is no surprise that this discourages businesses from bringing their profits back to the United States to invest in their domestic operations, in new jobs, and in increased wages.

Between 1982 and 2003, when the U.S. tax rate was much more competitive with those other countries, there were 29 corporate inversions where U.S. companies moved abroad. Between 2003 and 2014, when other countries were dropping their corporate tax rates and shifting to territorial tax systems, there were 47 such inversions.

Our tax plan addresses this drag on our economy by moving from our outdated worldwide tax system to a territorial tax system. What does that mean? By shifting to a territorial tax system here in the United States—a move, I might add, that is supported by Members of both political parties—we will eliminate the double taxation that encourages companies to send their investments and operations overseas. Combine that with a reduction in our high corporate tax rate, and we can provide a strong incentive for U.S. companies to invest their profits at home in American jobs and American workers instead of abroad.

Business tax reform is essential to reversing the economic stagnation that we have seen in recent years. The White House Council of Economic Advisers estimates that the tax reform framework that Republicans have presented will boost economic growth by between 3 and 5 percent. That is good news for the economy. More specifically, however, it is good news for American workers, who can expect to see their incomes rise as a result. A study from the White House Council of Economic Advisers estimates that reducing the corporate tax rate from 35 percent, where it is today—the highest, as I said, in the industrialized world—down to 20 percent, which is more competitive with our competitors around the world, would increase average household income by $4,000 annually. Think about that. Reducing the tax on businesses in this country would increase average household income for families in America by $4,000.

A Boston University professor and public finance expert, Larry Kotlikoff, found that lowering the corporate tax rate to 20 percent would increase household income by $3,500 per year on average. This was most recently confirmed by Martin Feldstein, a Harvard professor and former Chair of the Council of Economic Advisers, who noted in the Wall Street Journal this week that corporate tax reform is likely to boost household income by $3,500 per year.

There are lots of analysts, lots of experts who are looking at these proposed changes to the Tax Code and the tax reform that we are attempting to get through the Congress this year and onto the President's desk, and they have concluded that not only will it reduce taxes—the tax burden, the amount of tax that is paid by middle-income families in this country—but the reduction in the rates on businesses will also increase the number of opportunities for better paying jobs and higher wages and it will raise that annual income—that average household income—that is so desperately in need of a boost.

It has been a rough few years for the American economy and for American workers. I think all you have to do is to look at the numbers and you know that most Americans haven't seen a pay raise in almost the last decade. But with comprehensive tax reform, the next few years—and the next few decades, for that matter—can look very, very different.

Republicans' tax reform legislation is going to provide direct relief to hard-working Americans, and it is going to create the kind of economy that will give workers access to more jobs, to better opportunities, and to higher wages, not just for the near term but for the long term.

I look forward to working with my colleagues on the Senate Finance Committee, under the leadership of Chairman HATCH, to put the final touches on our bill and to take it up in the committee next week. Then, I hope we can bring that bill to the floor of the Senate and have an open debate, process amendments, and pass something through the Senate that we can conference with the House of Representatives, put it on the President's desk, and move our economy in a direction that will provide a brighter and more prosperous future for American workers and American families.

It is time to give the American people some relief.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. VAN HOLLEN. Thank you, Mr. President.

Mr. VAN HOLLEN. Mr. President, I rise today to strongly oppose the legislation that has emerged from the House of Representatives that pretends to provide tax relief to middle-class Americans, but if you take a look at it and you look at the analyses that have already come out, what it really is, is another big tax giveaway to millionaires, billionaires, and big, multinational corporations.

I believe we should do tax reform. We should take our Tax Code and clean up a lot of the junk that has gotten into our Tax Code that is not there for good public policy reasons and is there because someone had a high-powered lobbyist. We need to clean up our Tax Code, we need to reform our Tax Code, and we need to do it in a way that helps the middle class and doesn't add more big breaks for big corporations.

Unfortunately, this Republican plan does the opposite of tax reform. What it does is doubles down on big tax breaks for big corporations and the superwealthy.

There is a headline today based on the analysis. The New York Times looked at it. ''Republican Plan Would Raise Taxes on Millions'' of middle-class families. I can tell you that is very true in my State of Maryland. In fact, it is going to be true in States throughout the United States of America. We are going to see millions of middle-class families paying more under this plan. In fact, this analysis that is discussed in the Times found that 45 percent of middle-class families will see a tax increase under this plan once it is fully implemented. That means that families making between roughly $50,000 a year and $160,000 a year—about half of them are going to end up paying higher taxes under the Republican plan.

Here is one of the double standards that you see continuing throughout the Republican tax plan: Big corporations not only get big tax cuts—$1.5 trillion—but they are going to go on forever. In middle-class families, many people will see an immediate tax increase. Others will initially see a little tax cut. But for individuals and families, it is the great disappearing tax cut—a little sweetener to make the bill look good in the early years, but the bill takes away all those tax cuts for middle-class families, on average, and then actually increases the burden on a family of four making $59,000 under the plan.

For corporations, a $1.5 trillion tax cut over 10 years—permanent. For folks in the middle, many will see an immediate tax increase, and the tax increase will stay in place. Others will see a little tax decrease, but as the years go by, many of those are going to see their taxes go up. It is a major corporate tax cut financed in large part by millions of middle-class families paying higher taxes.

Just to give a sense of how well the folks at the very top will do, there is a headline from the Wall Street Journal—this is not a Democratic-leaning newspaper—''Banks Sidestep a Big Tax-Plan Pitfall.'' Right here in the second paragraph of the Wall Street Journal article, it says this: At a 20-percent corporate tax rate, banks stand to be among the biggest winners from tax reform. That is according to S&P Global Market Intelligence. The five biggest diversified banks alone might have had tax savings of $11.5 billion in 2016 at that rate—the biggest sum for any subindustry group tracked by S&P. The biggest banks do just great under this Republican plan. Middle-class families are left paying the bill.

If you look at this on the individual side, the top 1 percent wealthiest Americans in this country are going to get an average tax cut of $65,000—that is per person, on average. If you are in that top 1 percent, an average family will get a $65,000 tax cut. That means that 48 percent of the benefit of all the tax cuts in this Republican plan goes to the top 1 percent. Let me say that again and just flip it around. The top 1 percent wealthiest households are going to get 48 percent of the dollar benefit of this tax cut. That doesn't sound like a plan focused on improving the situation of middle-class taxpayers. They are the ones who are going to have to finance many of those tax cuts for the very wealthy and big corporations.

I know our Republican colleagues recognize what a vulnerability this is because our colleague, Senate majority leader Mr. MCCONNELL, said about the tax bill in an interview last Saturday: ''At the end of the day, nobody in the middle class is going to get a tax increase.'' To understand what that means, he is saying that not a single middle-class household out there in the country is going to see their taxes go up. Well, I don't know what tax plan he is talking about, but it is certainly one that hasn't seen the light of day yet because the bill that has come out of the House will raise taxes on millions of middle-class families, and that is a fact.

Just the other day, in an interview on FOX News, Speaker RYAN said: ''We are making sure every middle income taxpayer is a winner here.'' Every middle-class taxpayer is a winner here. Well, that is certainly not true of the plan that was just marked up in the Ways and Means Committee of the House because there are a whole lot of families in the middle class who are big losers under the Republican plan—in fact, millions of them around the country.

I don't know what plan they are talking about. I am looking forward to seeing the Republican plan that doesn't raise taxes on any middle-class family in the United States. That should be our policy. We should not be increasing the burden on middle-class families in order to finance a $1.5 trillion tax cut for big, multinational corporations, but that is the way it is right now.

Homeowners are going to be especially hard hit under this Republican plan because a lot fewer homeowners will utilize the mortgage interest deduction, and the Republican plan also slashes the deduction for State and local taxes. In fact, they eliminate your option to deduct State and local income taxes. The result is going to be that a lot of middle-class homeowners are going to pay a lot more. That is why the Realtors oppose this bill. These are the folks in our neighborhoods who are buying and selling homes. They are folks who have their ears to the ground in our communities.

Here is what the president of the National Association of Realtors said about this bill: It ''threatens home values and takes money straight from the pockets of homeowners.''

In fact, they had a study done by PricewaterhouseCoopers that said that if you are a homeowner and your income is between $50,000 and $200,000, adjusted gross income, you will see an average tax increase. They also predicted that home values across the board could drop by 10 percent, and it is not clear when they would recover their value.

The National Association of Home Builders is also opposed to this legislation because of the impact it will have on home ownership and the prices and value of people's homes around the country. They said:

> The House Republican tax reform plan abandons middle-class taxpayers in favor of high-income Americans and wealthy corporations. The bill eviscerates existing housing tax benefits by drastically reducing the number of homeowners who can take advantage of mortgage interest and property tax incentives.

I think all of us know that this is not some left-leaning group. We are talking about the National Association of Home Builders finding that the Republican plan abandons middle-class taxpayers in favor of high-income Americans and wealthy corporations. That is their finding based on their analysis of the bill.

Here is the catch. It is that double standard again. Just as I said earlier, you have the tax cuts for big corporations going on forever, but there is much less tax relief for some middle-income taxpayers, and it takes effect early but then phases out. You also have a situation where, if you are a big corporation, you get to deduct all of your State and local taxes. In fact, if you are a multinational corporation and you are in China, you get to deduct taxes you pay to the Government of China. But if you are a household in Maryland or any of our States, you don't get to deduct the taxes you pay to your State and local governments. So you are paying taxes twice on that dollar—once to the State government and again to Uncle Sam out of the same dollar.

Fitch Ratings looked at this and concluded that it will put dramatic strains on State and local budgets since people in those States are not going to be able to take those tax deductions. Either you are going to see dramatic cuts to school funding or healthcare, or you are going to see State and local governments raise the property taxes in those States. So you get hit coming and going if you are a middle-class homeowner.

This also damages our economic development efforts in many parts of our country. It repeals the new markets tax credit. While it doesn't get rid of what President Trump said was a huge giveaway, the hedge fund loopholes—I can't remember how many times during the Presidential campaign Candidate Trump talked about how the hedge fund tax break was a total giveaway. That is not eliminated in this Republican bill. They keep the big hedge fund loopholes, but here is what they get rid of. They get rid of the ability of people with high medical expenses to deduct those expenses from their taxes.

They even take away the additional standard deduction that currently applies to taxpayers who are at least 65 years of age or who are blind. There are many folks who are in that category who are also going to see their taxes go up. Seniors are going to see their taxes go up, which is why the AARP has raised the alarm about that provision and others.

While they keep the big hedge fund loopholes, they get rid of the ability of families who adopt children to take a tax credit to help cover the costs of adoption.

They get rid of provisions of the Tax Code that help students and teachers and schools. If you are a teacher who has been spending money to buy textbooks and other materials for your class, you used to be able to deduct the costs of what you are buying to help your kids. They take that away in the same bill that they give big corporations a big $1.5 trillion tax break. If you are a student who has been struggling to afford college bills, you no longer get to deduct the interest on your student loans.

If you are an employer who is currently receiving an incentive to employ veterans who have served our country, sorry, that is gone too.

So I want to get this straight. You are going to take away the ability of people with high medical expenses to take a deduction. You are going to take away the ability of college graduates to take a deduction so that their expenses are more affordable. You are going to take away the ability of people to get the adoption tax credit. And you are going to take away incentives for people to hire our veterans. But you are going to keep the hedge fund loophole and you are going to give a $1.5 trillion tax cut to big corporations. That is what this bill is all about.

Finally—and I am going to talk about this at greater length some other time—look at the international tax provisions in this Republican bill and how they are structured. I really urge my colleagues to take a look at this. They actually increase the incentives for U.S.-based businesses and companies to move their operations overseas. That is for two reasons. No. 1 is that when you reduce the international tax rates—when you say, essentially, that a U.S. corporation that moves its jobs overseas now just pays the tax in that country and has no U.S. tax obligation; we, under this bill, are at 20 percent—you still have an incentive, obviously, to move your operations to a very low tax place like the Cayman Islands.

But, then, there is an effort to address that issue in this bill. The problem is the effort to address that provision doesn't work at all. Here is the current situation: A lot of corporations try to park what are known as their intangible assets in the Cayman Islands or other tax havens. These are things like the value of patents. You make a great discovery, and you get a patent from the U.S. Patent Office, and you make royalties off of that patent. Then, you have a lot of good lawyers, and essentially you park that patent in the Cayman Islands. That really has no tax obligations, so all the profits that derive from that patent are not subject to any tax—or maybe 1 or 2 percent tax.

So in this Republican bill, there is an effort to try to address that issue—at least it pretends to address the issue—but the problem is that it doesn't.

Here is what they say. They say: Well, we are going to catch you if you park your money in a place like the Cayman Islands because we are going to have a tax of 10 percent—a foreign high-return tax is what they call it. The way they determine whether you are making an excess profit is you look at your tangible assets in that country and you determine whether the profit you have made is over 8 percent. That is the way it approximately adds up under this bill. But here is the problem: It is an average international minimum tax, not a per-country minimum tax.

So let me tell my colleagues what a company that wants to reduce its tax obligation does. They move their company offshore. They take a company, say in Baltimore, MD, that is worth $100 million, and they are making a $5 million profit today here in the United States and they will be taxed at 20 percent, and then they have this profit from the Cayman Islands at $2 million. Under that previous provision I talked about—this effort in the Republican bill to protect against what they call high-return tax areas—they would normally have captured some of the income generated from profits in the Cayman Islands. But when I move my company from Baltimore to, say, the United Kingdom, I actually then escape having to pay that tax on my monies in the tax haven.

So the bottom line is that this Republican bill, because it has this average 10 percent minimum tax provision, is going to encourage American businesses and companies to move overseas. If that is not what the intention is, I urge my Republican colleagues to fix this right away. It hasn't been talked about much.

There have been a couple articles recently about it. Gene Sperling, Kim Clausing, and others have gone through the economics of this, and it would make the situation a lot worse compared even to today in terms of these incentives.

The bottom line is, in addition to this being a $1.5 trillion tax break for big, multinational corporations, paid for and financed by folks in the middle—which, even after you see the middle-class families pay more, results in a $1.5 trillion addition to the debt, but even after all of that—after the big tax giveaway to big corporations, it has an incentive to add insult to injury for them to move their businesses and factories offshore.

I hope we will take a big step back and stop rushing a bill through as a matter of political imperative. We need to get this right. We should have hearings. We should have folks from all different walks of life and folks who will be impacted by this bill in many different ways come and testify to Congress about this bill. Then, let's get together on a bipartisan basis and actually do something that works for the American people, not something that is going to clobber the middle class and provide this huge windfall tax break to big multinational corporations, while encouraging them to suck jobs and factories from the United States overseas.

We need to start again on this. I urge my colleagues to do that.

I yield the floor.

The PRESIDING OFFICER (Mr. HOEVEN). The Senator from Ohio.

Mr. PORTMAN. Mr. President, I don't know where to begin. I want to speak about the tax reform proposal but will start by responding to my colleague from Maryland—and he is a colleague and friend—to say that he must be talking about a different tax reform proposal than we are talking about because, frankly, so much of what he said is not consistent with the legislation that I have seen the House proposing and certainly not consistent with the legislation we are talking about here in the Senate.

Let me start with his claim that there is a $1.5 trillion tax cut for big corporations. That is simply not true. You can look at the House proposal because it is now out. You can see the fact that it does have tax relief, and it has tax relief targeted at middle-class families. He is right about the fact that it has a lower rate for our multinational businesses, but he also knows that our current system is absolutely broken, and what is occurring is precisely what he is suggesting might occur if we were to change the code, which is companies and jobs and investment are going overseas.

He talked about the fact that we haven't had hearings. Since I got elected to the Senate in 2010, we have had 70 hearings in the committee I serve on, which is the Finance Committee. I would encourage people to look at what we did 2 years ago. We set up five bipartisan task forces on tax reform. I cochaired one of them. It was actually on the very topic my colleague was talking about.

I would encourage him to look at the working group paper on international tax reform and the need for us to go to a lower rate—20 percent—to be competitive, to get just below the other industrialized countries, and then to have the opportunity to go to a new type of tax system that enables us to bring back the money that is locked out overseas. Unbelievably, there is $2.5 trillion to $3 trillion of earnings that are overseas. Much of that could be brought back, and that is what this tax proposal does.

Significantly, that report my colleagues will see was coauthored by two Members of this body, one Republican and one Democrat, because all of these task forces, these working groups, were bipartisan. My colleague in that effort was a Senator from New York by the name of CHUCK SCHUMER, who now happens to be the Democratic leader.

So I think there is a consensus, at least in the real world, about the fact that our current Tax Code is hopelessly broken and we have to fix it. And if you are against helping our companies to stay American companies, that must mean that you believe that they ought to become foreign companies, which is exactly what is happening. To me, it is an outrage that the U.S. Congress is allowing this to happen.

Ernst & Young, which is a public accounting firm, recently came out with a study showing that 4,700 companies that have become foreign companies over the past 13 years would still be American companies if we had the kind of tax reform proposal that we are proposing. In other words, if you had this 20 percent rate I talked about, this competitive international system, you would have 4,700 more American companies here, providing jobs, making investments, contributing to their communities.

It does matter that a company is headquartered here versus headquartered overseas. We have done an analysis of this. We have done an investigation of this. We have determined that when companies leave, they don't just change their headquarters, they take investment and jobs with them.

I would refer my colleagues to the work of the Permanent Subcommittee on Investigations; again, bipartisan work about the fact that we have to fix this broken Tax Code.

The Congressional Budget Office, which is the nonpartisan group here on Capitol Hill that gives us advice on the impact of tax reform on the economy, on deficits, on revenues, has a report which says that if you do lower the business tax rate to make these companies competitive—again, the alternative is going overseas—the benefit of that goes to shareholders, goes to workers. They say in their analysis that 70 percent of the benefit goes to higher wages and more benefits for workers.

Think about it. That makes sense. If a company is not competitive, they can't pay the kinds of wages we want them to pay. We want to get wages up. They can't pay the kinds of benefits we want them to pay. We want to get benefits up.

So although I hope that we can have a spirited debate about aspects of this legislation, we should stick to the facts. We should not attempt to make this yet another partisan issue in this town, where we are attacking something not so much on the merits but because the other side thought about it.

I will tell you, when you look back historically, it isn't just the working group that Senator SCHUMER and I cochaired on this international front where we have to get this rate down. We have to become competitive. We have to save our jobs here. But look at another bipartisan effort that is talked about a lot and is not agreed to by all Democrats or all Republicans; that is, the Simpson-Bowles proposal. This was several years ago. They looked at the tax policy and deficit issues. Simpson-Bowles—totally bipartisan, supported by a bipartisan group of U.S. Senators who, at the time, were on that commission—said that we ought to go to this lower rate and territorial system. This is not a partisan issue or at least it hasn't been until now. Let's not make it one.

Yes, it is true that there is tax relief in this proposal. The proposal the House has proposed—the proposal the Senate is likely to propose later this week—does have tax relief, and we believe that tax relief is appropriate.

We believe we have to give middle-class families in my home State of Ohio and around the country a little break right now. Why? Because they are seeing their expenses go up, especially healthcare, but also other expenses. I say ''especially healthcare'' because that is the single largest increase in expenses; it is in the healthcare area—deductibles, copays, premiums—but also on food, housing, and other costs, including tuition if you are trying to send your kids to school. These expenses have skyrocketed, yet wages are flat, meaning people are facing this middle-class squeeze.

We hear a lot of discussion on both sides of the aisle about the fact that we want to help the middle class. One way to help is to help the family budget, to get a little relief to these families so they can make ends meet and not just live paycheck to paycheck.

It will also help the economy. It will help get more money into the economy to buy that car, to buy that appliance, to help move the economy forward. It is part of this reform bill—yes, it is—and we are proud of it.

We also provide some tax relief on the business side to help small businesses. These are the so-called pass-through companies. About 90 percent of the businesses in America don't pay their taxes as companies. They are not corporations in that sense. They pay their taxes through their individual tax return. They are called pass-through companies. Some call them LLCs, subchapter S, or sole proprietors or partnerships. These companies tend to be smaller companies, they tend to be family-owned. They need a little help too. So the proposal does provide significant relief for those small businesses. In the House proposal and the Senate proposal, it is hundreds of billions of dollars out of the $1.5 trillion tax relief. We think that is appropriate.

Finally, again, on the business side, it will help make companies competitive to get the rate down so they can attract investment into America rather than having that investment and jobs going out of America, which is what is happening now. There are 4,700 companies that would be American companies today if we had this tax proposal in place over the last 13 years, but we didn't, and we should learn from that. It is Congress's responsibility to act to keep that from happening in the future.

That is what this tax reform is about. It is about three things. It is about a middle-class tax cut allowing people to keep more of their hard-earned money. We think that is appropriate in these times.

It is about helping to make our companies more competitive because we want more jobs and higher wages. Part of dealing with the middle-class squeeze is to provide a little help with the family budget with tax relief. Part is to get wages up. When people look at this tax reform proposal—right, left, or center—they are going to say the same thing: This is going to incentivize more investment. Some think more, some think less, but that investment in a tight labor market, as we have right now, is going to result in more competition for these workers, therefore, pushing wages up. That is what we want. That is what this is about. It is exciting.

Third is to level the playing field internationally so American companies will not be going overseas. That is the whole point. We are not doing this tax reform proposal to encourage companies to go overseas. We are doing this tax reform proposal to incentivize them to stay in America and to attract more foreign investment here in this country so an American company can pay that premium for a foreign subsidiary, rather than the other way around now, where American companies are not just inverting. We have heard this word ''inversions,'' going overseas and buying a foreign company. They are actually being taken over by foreign companies.

That is the reality. We can't let it continue. We have to stand up and be counted, stand up for the middle class, stand up for our workers who are now competing with one hand tied behind their back, whether it is a big auto company like in my home State of Ohio—I toured five of these auto factories over the last couple of weeks, talked to them about the tax reform proposal and how it would work. They gave me their input. It is going to help. By the way, it is going to help whether you are a U.S. company or a foreign company. If you are a foreign automaker here in America or you have other foreign investments, a lower rate and immediate expensing—in other words, being able to write off your investments and equipment as you make them—that is all good for you too. So it will have both, the desired effect of helping American companies be competitive but, also, if you have foreign direct investment in your State and your community, they should be encouraged to put more money in America rather than somewhere else. If you are a Japanese automaker and you are looking around the world asking: Do I put that next investment in China, do I put it in Tokyo, do I put it in Europe and Germany, or do I put it in America, you will like this proposal because you will want to invest and be part of this too. That will help us give this economy a needed shot in the arm.

There has been a lot of talk—and I heard it again today on the floor—that this is going to be bad for the deficit. I think there will be about $44 trillion of new revenue coming in, estimated, over the next 10 years. Yes, out of that amount of money, we are suggesting a $1.5 trillion tax cut relative to the score—the budget—we have to use.

What does that mean? About $500 billion of that is simply saying, the Budget Office says the existing tax policy in place is only temporary. Some of it is only temporary. These are the so-called extenders. We know that is unlikely because we have always pretty much made these permanent, including a big one called bonus depreciation, which is most of that. Right away we think the way it is scored is not fair so we get down to about $1 trillion in tax relief over 10 years, again, with $44 trillion coming in.

What does that mean? It means you have to have a little more economic growth than is projected in order to not have a deficit and actually pay down the deficit through more revenue coming in. I think that will happen. Why do I say that? Because the projections we have to use are very conservative. The Congressional Budget Office is what we are using, and we are obliged to do that, which is fine. It is a nonpartisan group. They are saying economic growth over the next 10 years will average about 1.9 percent of growth. The average over the past 30 years is about 2.5 percent. So they are saying our economy is not going to grow as fast as it has in the last 30 years. We will see. In the last two quarters, the economy grew at 3 percent and 3.1 percent so they don't seem to be on track with where the economy is going right now.

More importantly to me, these proposals are pro-growth proposals—whether it is help with regard to the business rate, which gets it below the rate of other industrialized countries rather than the highest rate in the entire industrialized world, which is where we are now. We have the highest rate in the industrialized world, and we are getting it below the average. That will increase investment and economic activity and jobs and, therefore, revenue.

If it is the immediate expensing,—again, where you can write down your investments right away—that will increase investment in jobs, according to all the economists who look at that. They may differ on how much.

If you look at the international side, where we are going to bring back some of that $2.5 trillion to $3 trillion that is stuck overseas, that certainly is going to be invested here in this country and help with regard to economic growth.

There are a number of provisions. I talked about the small business provisions earlier which will help small businesses to be able to innovate, to be entrepreneurial, which is what we need more of—more new starts. That is going to help.

All of that together is going to help with economic growth. How much? Instead of the 1.9 percent conservative estimate they have made for the next 10 years, let's say it grows 0.4 percent more than projected. I would attribute at least that much to this tax reform proposal because of what we just talked about, but if you believe it is going to grow at 0.4 percent more than projected; in other words, instead of 1.9 percent, 2.3 percent—2.3 percent growth would be below the average over the last 30 years—then you will actually see the deficit start to come down because of this tax reform proposal because the revenue will be there, not just to make it revenue neutral, but beyond that we will actually pay down the deficit. We haven't done that in a while.

Back in 1997, 1998, 1999, 2000, we went through this before. We began to reduce the deficit annually. Do you know how it happened? Constraining spending helped, and that is part of our challenge in the Congress—how do we get our hands around the spending—but second is growing the economy. In that case, the capital gains rate of taxation was reduced. Then, suddenly, in the late 1990s, about $100 billion of revenue that nobody expected showed up in the coffers. That is how we got to a so-called balanced budget a few years early because tax revenues were greater than expected.

I believe this will happen again. I believe that when you look at this proposal, it is conservative in the sense that it says: Yes, let's provide needed middle-class tax relief. Let's also do these things to grow the economy. Let's assume that because of all this, we are going to be able to improve the economic performance that is projected.

It is a pretty disappointing projection. Let's face it, 1.9 percent growth isn't great for any of us. It isn't great to deal with the issues of poverty. It isn't great to deal with the issues of entrepreneurship and innovation. It isn't going to help us to afford the entitlements that are growing. We need better growth than that, we want more growth, and I think tax relief is the single-most important thing we can do right now.

Yes, we should have more regulatory relief. Yes, we should do better in terms of getting the cost of healthcare under control. People are concerned about costs rising so fast, and we haven't been able to grapple with that issue. Yes, we should do more on worker training. We have a skills gap in this country. We have jobs available, and yet we don't have the skilled workforce to take those jobs. Yes, we can do more in terms of helping grow the economy through education and other things, but the one policy area that is crying out for reform is our tax system. It is antiquated. It is out of date. It is driving jobs overseas. It makes no sense. It can be simplified, and this simplifies the Tax Code. It can be made more fair, and this makes it more fair by helping the middle class more. It can encourage economic growth, and it does so through small business relief and relief for our multinational companies. It can help bring back trillions of dollars stuck overseas. That is what this does. That is the whole idea here.

I am excited about this opportunity. The House of Representatives is working on their legislation now in committee. Next week, that will shift to the Senate and the Senate Committee on Finance. We will have the opportunity for an open process. As I noted, we have already had 70 hearings in the Finance Committee just over the past 7 years since I have been in this Chamber. We have had working groups, including the bipartisan one I mentioned earlier, the five bipartisan working groups of that committee.

We will have the opportunity at our hearing next week to have an open process—anybody can offer an amendment—and open discussion. We will have an interesting debate. It will be spirited. As we saw here today, we have some differences of opinion, but let's stick to the facts. Let's not make this partisan. Let's stick to the merits. Let's try to help the American people and our economy.

Then we will come to the floor of the U.S. Senate, and the same thing will happen—an open process. Every desk you see in here represents a Senator who will have the opportunity, should he or she wish, to offer an amendment, to have a debate, to discuss the issue. It will be spirited at times, but, again, I hope it will lead to a result that actually helps do the things we were elected to do: to give our constituents—the people we represent—the chance to have a better life; to give middle-class families a little relief as they are facing this middle-class squeeze; to help grow this economy from the middle out, from the bottom up, from everywhere; to give us the ability to say, once again, that America is that shining example, that beacon of hope and opportunity for the rest of the world. That is what this is about.

Let's not blow this opportunity. Let's get it done, let's get it to the President's desk for his signature before the end of this year, and let's make good on the commitments we have made to our constituents to help create a better economy and a better future.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. McCONNELL. Mr. President, I ask unanimous consent that notwithstanding rule XXII, at 4:30 p.m. today, Tuesday, November 7, there be 30 minutes of post-cloture time remaining on the Engel nomination, equally divided between the leaders or their designees; that following the use or yielding back of time, the Senate vote on the confirmation of the Engel nomination; and that if confirmed, the motion to reconsider be considered made and laid upon the table, and the President be immediately notified of the Senate's action; further, that there be 2 minutes, equally divided, prior to the cloture vote on the Robb nomination.

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

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

GUN VIOLENCE

Ms. KLOBUCHAR. Mr. President, I come to the floor today to call attention to the tragedies that have been caused by gun violence across our country, including the most recent attack, which left at least 26 dead after a lone gunman opened fire at a church in Texas on Sunday. I join my colleagues in mourning for the victims and their families. Our thoughts are with them and all those affected by what happened in Texas.

At the same time, we remember that these heartbreaking events came just 35 days after the deadliest mass shooting in our Nation's history, when 58 were killed and hundreds were wounded in Las Vegas last month. But as we look ahead, we cannot escape the fact that we can, and must, do more to keep our communities safer. While no one policy will prevent every tragedy, we need to come together on commonsense proposals that would save lives.

I appreciate the words of my colleagues about mental illness and funding for mental illness. I think that is very important. I come from Minnesota, where Paul Wellstone was one of the leaders in making sure that mental illnesses got covered by insurance, and I think we need to do that and more.

Another area where we have found some consensus in this Chamber is improving background checks. My colleagues Senator MANCHIN and Senator TOOMEY have made that clear, and I supported their background check legislation in 2013. But the fact remains that we didn't pass that bill in the Senate. We fell short, and it was a disheartening day.

I remember having the parents of some of the Sandy Hook victims in my office that morning. Yet what happened that day—you have to contrast it with where the American people are. Consistently, whether it is with public opinion polls or whether it is when you talk to people you meet when you are at home, we have seen that Americans from across the political spectrum support commonsense proposals to require background checks, such as requiring background checks at gun shows. And they support that by wide margins.

By the way, I look at this from a State that has a lot of households that have guns. We are a proud hunting State. And with every proposal I look at, I always think of my Uncle Dick and how he used to love hunting and sitting in his deer stand. I think: Does this hurt my Uncle Dick and his deer stand? And I don't think that the Manchin-Toomey bill would in any way. When I look at these things, I have to evaluate them that way because I know how many proud and law-abiding gun owners we have in our State. But I don't see that closing this gun show loophole by doing something more about background checks would hurt that hunting tradition in any way.

When I talk to law enforcement around Minnesota, they stress the importance of having effective background checks to stop felons, domestic abusers, and people who are prohibited from having easy access to guns from having that access. If you remember, part of the Manchin-Toomey proposal was to do more on sharing data and getting the data out there. These efforts should not and do not have to infringe on Americans' rights to own guns.

Another sensible measure that came out of the tragedy in Las Vegas, which