

My dad was in the Army Air Corps, flew B-17s out of Molesworth Air Force Base in England over Nazi Germany during the end of World War II. He was a member of the 8th Air Force, 303rd Bomb Group. On his 26th mission, he was shot down and captured as a prisoner of war. Thank goodness he survived, came home, met my mom, married, raised a family, and became a productive member of civilian society after his military service. But I remember, as if it were yesterday, what my parents said they wanted for me, my brother, and my sister. It is what parents of that entire generation wanted for their children and grandchildren. They wanted to know that their sacrifice, their willingness to fight and win America's wars against terrible tyrants, such as Adolph Hitler—that the consequence of their sacrifice and their service would be a better standard of living, a safer world, and a better quality of life. In short, what they wanted for us and what I want for my children and what I believe every American parent wants for their child or their children is exactly what my parents wanted for me and my sister and my brother. We sometimes call that the American dream.

Some of us believe that the American dream is still alive, that we don't have to settle for second place. We don't have to settle for the status quo. We don't have to settle for flat wages and fewer jobs. We can do better. We believe we have done better in this piece of legislation, which will help reawaken the slumbering giant of the American economy. It will put Americans back to work. It will mean more take-home pay. It will mean a better standard of living, but, surprisingly—and disappointingly—our colleagues across the aisle want no part of it. I hope they haven't given up on that American dream. I haven't given up, and I don't believe Americans have given up on that dream.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. ERNST). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CORNYN. Madam President, I ask unanimous that the order for the quorum call be rescinded.

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

Mr. CORNYN. Madam President, I ask unanimous consent that the letter from Chairman HATCH be printed in the RECORD.

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

U.S. SENATE,

COMMITTEE ON FINANCE,

Washington, DC, December 18, 2017.

Hon. BOB CORKER,

Washington, DC.

DEAR CHAIRMAN CORKER: Thank you for your letter dated yesterday.

I am disgusted by press reports that have distorted one particular aspect of the conference agreement on H.R. 1, the Tax Cuts

and Jobs Act. The reports have focused on the final version of the 20 percent pass-through deduction, the proposed new Section 199A. As the author of this provision and the vice chairman of the conference committee, I can speak with authority about the process by which the conference committee reached its final position.

There are two false assertions contained in these reports, and I would like to correct the record on both.

First, some have asserted that a new provision was crafted for real estate developers and was "airdropped" into the conference agreement. Second, reports have implied that you had some role in advocating for or negotiating the inclusion of this provision.

Both assertions are categorically false. With respect to the second, I am unaware of any attempt by you or your staff to contact anyone on the conference committee regarding this provision or any related policy matter. To the contrary, virtually all the concerns you had raised in the past about the treatment of pass-through businesses in tax reform were to voice skepticism about the generosity of various proposals under consideration.

The first claim—that a new pass-through proposal was created out of whole cloth and inserted into the conference report—is an irresponsible and partisan assertion that is belied by the facts. For more than a year, tax-writers in the House and Senate have worked to craft legislation that not only provided relief for "C" corporations, but also delivered equitable treatment for pass-through businesses. Though the two chambers came at this issue from different angles, our goal was the same: To provide tax relief to pass-through businesses at a level similar to that provided to regular "C" corporations. This policy goal was confirmed in the Unified Framework for Fixing Our Broken Tax Code, which provided in part:

"TAX RATE STRUCTURE FOR SMALL BUSINESSES The framework limits the maximum tax rate applied to the business income of small and family owned businesses conducted as sole proprietorships, partnerships and S corporations to 25%. The framework contemplates that the committees will adopt measures to prevent the re-characterization of personal income into business income to prevent wealthy individuals from avoiding the top personal tax rate."

The House Ways and Means Committee and the Senate Finance Committee achieved this mutual goal by different means. Section 1004 of the House bill provided a special tax rate for pass-through income and included a "prove-out" option for capital-intensive businesses. Chairman Brady unveiled this approach on November 2nd, more than six weeks ago.

The Senate took a different approach, achieving the intended rate relief through a deduction patterned after current law Section 199. We also included measures to ensure that compensation could not be easily gamed into business income in order to qualify for the deduction. Similar to Section 199, the deduction in the Senate bill excluded compensation and guaranteed payments to owners and was limited to 50 percent of compensation paid to employees, with an exception for small pass-through businesses, including service providers. The Senate bill did not include a prove-out option for capital-intensive businesses like the one contained in the House bill.

The Joint Committee on Taxation ("JCT"), the non-partisan congressional scorekeeper for tax legislation, released a side-by-side summary of the two bills for conferees. That summary, dated December 7, 2017 and available on JCT's website (JCX 64-17), described the House position in part:

"In the case of a capital-intensive business, a taxpayer may "prove out" a capital percentage by electing the application of an increased percentage for the taxable year it is made and each of the next four taxable years. The applicable percentage is determined by dividing (1) the specified return on capital for the activity for the taxable year, by (2) the taxpayer's net business income derived from that activity for that taxable year."

It takes a great deal of imagination—and likely no small amount of partisanship—to argue that a provision that has been public for over a month, debated on the floor of the House of Representatives, included in a House-passed bill, and identified by JCT as an issue requiring a compromise between conferees is somehow a covert and last-minute addition to the conference report.

I have sat on a number conference committees, too numerous to remember. In each case, conferees have come into the conference expecting to achieve their chamber's position or negotiate a reasonable compromise. This conference committee was no exception. The House entered the conference with an interest in preserving, in some form, the prove-out alternative as an option for capital-intensive taxpayers. Through several rounds of negotiations, the House secured a version of their proposal that was consistent with the overall structure of the compromise.

The prove-out alternative included in the conference report was derived from the House provision and is the product of a negotiation between the House and Senate tax-writing committees. It is that simple.

If you have any further questions, please feel free to contact me.

Very Truly Yours,

ORRIN G. HATCH,

Chairman, Senate Finance Committee.

Mr. CORNYN. Madam President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

DEADLINES

Mr. KING. Madam President, I rise today to talk not about legislation or about the tax bill—well, I may talk about the tax bill a little—but I do wish to talk about deadlines and how we all do our work, whether it is in the Senate, in our businesses, or in our personal lives. I wish to talk about deadlines missed and deadlines that don't exist.

One of the realities of this place that I think is very unfortunate is that we rarely make our deadlines. These are self-imposed deadlines. These are deadlines that we create. We pass a law that says something has to happen by September 30. We set the deadline, and then we don't make it.

Most notoriously, it happens with budgets. I don't know the last time we had a budget on time. I think it is about 17 years ago. I suspect there are probably less than a dozen Senators in this Chamber who were here when we last passed a budget on time. There is

no excuse for that. The problem is that when we put it off, we don't know anything more than we did at the time of the deadline. We could have done it, and yet, because we are able to, we put it off. That is human nature, unfortunately. Who among us would not have put off the deadline for a book report if we could have said to the teacher: Gee, I don't think I can make that Monday morning deadline. I will just do my book report on Tuesday.

Life doesn't work that way. In the real world, there are deadlines. There are consequences if you don't get your work done on time. Things happen, and if you don't get your work done on time, usually, those things that happen are bad. I don't know where else, other than in this body, where deadlines, which have enormous implications and enormous importance, are simply ignored.

I just sat down in the last day or so and put together real deadlines that we have in the law right now. What are they? Well, the Children's Health Insurance Program's deadline is September 30, 2017. That is gone. That has passed. I can give you 23,000 reasons that we should have met that deadline. That is the number of young people in Maine who are covered by the Children's Health Insurance Program, and there are 9 million nationwide. But we missed the deadline. Why? I can't find any reason. We don't know anything now that we didn't know in the middle of September or in August when we could have passed this program, but we just blew right by it. Maybe it is because none of our kids are in this program. I venture to say that if the children of the Members of the Senate were in the CHIP program, we would have met that deadline, but we didn't.

What is another one? Community health centers had another deadline of September 30, which was missed. I will give you 200,000 reasons that we should have met that deadline. That is the number of people in my State of Maine who are served by federally qualified health centers. I was at one just on Friday. They serve people who otherwise wouldn't get care. They fill an enormous gap, particularly in a rural State, to provide healthcare to people who need it, but we didn't make the deadline. There was no particular reason not to make this deadline. We just blew right by it. It was not all that important. I venture to say that if our families were covered under this program, we would have gotten it done. No Senators' families are covered by federally qualified health centers. If they had been, we would have gotten it done.

Of course, the granddaddy of all of deadlines mentioned is the budget: October 1, 2017. We missed it—no deadline. We just went right by it. Nothing happened. Well, what we did was to pass a continuing resolution. A continuing resolution really should be called a "cop-out resolution." It is basically saying that we are not going to

make the hard decisions in a budget. We are just going to push them forward for a month or two. But the problem is that the month or two comes. In fact, it is coming this Friday, and now we are talking about another continuing resolution to go into January or February. No business would do this. Families can't even do this.

Some time ago, I was the Governor of Maine. I remember vividly. I can practically tell you where I was standing in my office. We have a deadline in Maine of July 1 for our budget. We always make it. Members of the legislature of one of the parties came to me. They were having a hard time getting a budget. It was very contentious, as it is every year. He said: Governor, let's just do a continuing resolution like they do in Washington, and we can solve this problem in the next 2 weeks. I said: Not on your life, because if we do, once we open the Pandora's box of continuing resolutions in Maine or in Iowa or in Mississippi or Florida, then we are stuck. We will never get a budget on time again because it is too easy to put off the hard decisions. What do we know now about the budget that we didn't know in August? What will we know in January that we don't know now?

By the way, a continuing resolution for the entire budget is bad for the government and disastrous for national security. I serve on the Armed Services Committee. We have hearings both from our civilian leadership and our military leadership, and they have told us repeatedly: Please get us a budget. The continuing resolution doesn't allow us to plan. It locks us into last year's priorities. It doesn't allow us to look forward and make commitments that will save the taxpayers money if we have the authority. It is a disaster for national security, but a deadline was missed on September 30. It looks like we are going to miss another deadline on December 22, and we will be here talking about funding the government, doing the budget, sometime in January or maybe in February. There is no reason for it. There is no reason for it except that we are simply avoiding making difficult decisions.

The next one is DACA, or Deferred Action for Childhood Arrivals. The real deadline started on October 6. That is when people started to lose the ability to re-up their qualifications for DACA. Over 100 people a day are losing their DACA status. In the last week it has been, I think, something like 1,700—in the last week or 10 days. These are people who are going to go into the holidays unsure about whether they are going to be able to continue to live in this country. These are young people, as we all know. This is the only country they know. They were brought here as little kids. They weren't illegal immigrants. They were brought here as children, and they are contributing to our society, and they are working and paying taxes. But we missed the deadline starting in October.

Now, even the President said we should fix this program, and he gave us 6 months. He said: I am going to disallow the program, but not until March 5, 2018. I don't know whether it is legal to bet in the District of Columbia, but I would be willing to bet that we are still struggling with this question on March 4, 2018. I deeply hope not because lives are being toyed with here unnecessarily. We could make the decisions now. We could decide to reach a compromise agreement on this program, which Members of both sides of the aisle think needs to be done, including the President. Let's get it done. But it is one more missed deadline.

Next is the National Flood Insurance Program, with a deadline of December 22, which is 4 days from now. I don't think we are going to make it. If ever there was a time of importance for the National Flood Insurance Program, it is now. We have had enormous flooding issues with the hurricanes in Texas, Florida, Puerto Rico, and the Virgin Islands. Yet the flood insurance program expires on December 22. Why don't we get it done? Because it is not our houses. It is not our houses that are at risk to get the flood insurance. I suspect if we had the houses that were part of this problem, it would be solved.

Medicare extenders expire on December 31 of this year. Are we going to get those done? I deeply hope so, but I am not so sure.

FISA section 702, one of the most important national intelligence provisions that we have, also expires at the end of the year. Are we going to get that done? I deeply hope so, but I am not optimistic.

Next, we have the wildfires and FEMA disaster aid for Harvey, Irma, Maria, and the wildfires. These are huge disasters. We have partially funded them, but certainly not to the point that is going to be required. Those deadlines were all this fall.

At the bottom of my chart of priorities is tax reform. Boy, are we going to make that deadline. The only problem is that it doesn't exist. There is no deadline for that. There was no deadline. It is not December 22. It is not Christmas. It is not New Year's. It is a self-imposed deadline that is not in law anywhere.

I agree that we need to do tax reform, but we have been doing it on an unprecedented scale and speed that is unnecessary. We have missed and ignored all these real deadlines in exchange for focusing all of our attention on a fake deadline. Sure, it would be nice to get it done, and we could have gotten it done. It could have been done on a bipartisan basis. We could have started last summer, and we would have had a bill just like the bill that emerged from the HELP Committee with regard to healthcare, on a bipartisan basis. But instead it was a closed process, done with unprecedented speed, with virtually no hearings—well,

no hearings, no real hearings on the bill, no serious outside experts, no analysis of what is in it. We have been given a 500-page bill that we are going to vote on in probably a day or so. Yet we are racing to meet a deadline that didn't exist.

It is boring to talk about process, but that is what I am really talking about today. I just don't understand an institution that doesn't make its real deadlines and yet races and throws everything aside to try to make a deadline that just came out of the air. It is not in any law, any rule, any expectation—let's do it by Christmas or by the end of the year. It is no way to run a business, and it is certainly no way to run the government on behalf of the American people.

I have never been in an institution or in a group of people who are as capable as the people who are here, and I find it genuinely puzzling as to why we perform so poorly and why the public opinion of us is so low. These are good people on both sides of the aisle. Yet something about the way this institution works keeps us from meeting the rules and expectations that the rest of society takes for granted, such as making deadlines, doing your job, doing what you are paid to do.

One of the most fundamental responsibilities is to pass a budget. We have members of our Appropriations Committee who have been working for a year to put the budget together. It is done, and we could do this, but instead we are putting it off and putting it off and putting it off. I wouldn't be surprised if, come January or February—assuming we don't make it by this Friday—there are going to be people who say: Let's just do a continuing resolution for the rest of the year—a cop-out resolution, a nonresolution, a nondecision on behalf of the people of this country.

I think we can do better. I think we can begin to regain the trust of the American people by going back and doing things the way we are supposed to according to the old norms, with hearings and considerations and making deadlines and meeting our obligations to our citizens and to our country.

I deeply hope that as the year turns, we also make a turn and that we make a turn to do this place better, to do our work that the American people hired us to do, to do it on a timely basis, and to meet our responsibilities. I believe we can do it. I believe we can do it better, and I deeply hope that we do so.

Thank you, Madam President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

TAX CUTS AND JOBS BILL

Ms. COLLINS. Madam President, I rise to express my support for the conference agreement on the Tax Cuts and Job Act, the first major overhaul of our Tax Code since 1986. This legislation will provide tax relief to working families, encourage the creation of jobs

right here in America, and spur economic growth that will benefit all Americans.

Let me start by discussing the effects of this bill on individuals and families. Throughout this debate, I have emphasized that reforms to our outdated Tax Code must help working families. I, therefore, authored three key amendments that were retained in the final package.

My amendments allow families to deduct up to \$10,000 in State and local taxes, increase the deduction for medical expenses, and protect tax-free contributions for retirement savings.

The original Senate bill would have eliminated the deduction known as SALT that allows taxpayers to avoid paying a Federal tax on State and local taxes that they have already paid. This provision has been in the Tax Code since 1913, when the income tax was first established. It is intended to prevent double taxation. My amendment, which was adopted by the Senate, restored the deduction for property taxes up to \$10,000. I am pleased that the final bill goes a step further by allowing the deduction of property and income or sales taxes up to this level, which will assist even more Americans.

My work to restore this deduction is especially important to families living in high-tax States like Maine, which has one of our Nation's highest tax burdens; yet Maine's per capita income ranks only 31st, which is nearly \$5,200 below the U.S. average. Maintaining this deduction therefore provides important tax relief for those Mainers who itemize.

My second amendment included in the conference agreement is a very important one. It is aimed at helping Americans struggling with high, unreimbursed healthcare costs, including seniors paying for long-term care for a loved one and those with expensive chronic healthcare conditions. My amendment lowers the threshold for claiming this deduction for these unreimbursed expenses from 10 percent to 7.5 percent of income for 2017 and 2018.

The House bill would have eliminated this longstanding deduction used by approximately 8.8 million Americans annually, nearly half of whom make less than \$50,000 per year. Retaining this important deduction and lowering the threshold will provide relief for those experiencing particularly high healthcare costs. That is why AARP and 44 other consumer groups strongly endorsed my amendments, stating: "It provides important tax relief which helps offset the costs of acute and chronic medical conditions for older Americans, children, pregnant women, disabled individuals and other adults, as well as the costs associated with long-term care and assisted living."

At a time when we need to be encouraging Americans to save more for their retirement, I am encouraged that the final agreement preserves the pretax contribution limits for retirement savings plans. We are in the midst of a si-

lent but looming retirement security crisis in this country. According to the nonpartisan Center for Retirement Research, there is a \$7.7 trillion gap between the savings that American households need to maintain their standard of living in retirement and what they actually have saved.

We should be doing everything we can to encourage more saving, not less. For this reason, I am pleased that the final bill will include my third amendment, which struck the original Senate language eliminating the ability of public employees, such as firefighters, schoolteachers, and police officers, as well as clergy and those employed by charities and nonprofit organizations, to make what are called catch-up contributions to their retirement accounts. These employees are generally paid less than their counterparts employed by for-profit companies and thus are less able to save for their retirement. My provision would allow them to continue making these important extra investments toward a secure retirement.

The conference agreement benefits lower and middle-income taxpayers significantly, while simplifying the tasks that no one relishes of completing their tax returns.

Significantly, this bill nearly doubles the standard deduction to \$12,000 for single filers and \$24,000 for those filing jointly. The child tax credit will be doubled from \$1,000 to \$2,000. Thanks to Senator RUBIO's efforts, which I strongly supported, up to \$1,400 of that tax credit will be refundable in order to benefit low-income families.

Let's be more concrete. What do these reforms mean to families across our country? The 72 percent of Mainers who already use the standard deduction will have their taxes reduced. A family with \$24,000 in income will pay no Federal income tax. A single mom earning \$35,000 a year with one child will see her taxes drop by nearly 4,000 percent. Instead of paying money back to Washington, she will be getting back nearly \$1,100 to help her make ends meet. A couple with no children earning \$60,000 will see their taxes fall by more than \$900. A couple with two children earning \$60,000 will get a tax cut of about \$1,700. That is a reduction of more than 100 percent. The bottom line is that most Maine households will see their taxes go down.

I was very concerned about a number of important deductions for individuals that would have been eliminated under the House bill.

Having worked at Husson University in Bangor before my election to the Senate, I am well aware of how critical education deductions and credits are to our students and their families; therefore, I had several fruitful discussions with a key conferee, Senator ROB PORTMAN, about preserving those deductions that help students afford higher education. I appreciate his strong advocacy for these provisions that I care so much about as a result of