

and-a-half times that amount, so 25 percent ought to be the goal that we strive for.

Before we go back into the budget wilderness that we have been wandering in for the last 30 years, we ought to look at what we can do to return some of the dollars that the people in this country who are very hard-working and are contributing and making this economy grow, how we can give some of that back to them in the form of tax relief.

Mr. Speaker, I have introduced a couple of pieces of legislation which I think are consistent with that principle, and also address the issue of tax relief in a way which I think is consistent with what certainly is my philosophy and I would hope would be the philosophy of most Americans; that is that we ought to allow everybody to participate as much as they can in a very broad-based way in the benefits of a growing economy. That is one of the principles that underscores our legislation.

Secondly, to the extent that we can provide any form of tax relief in this body, that we ought to do it in a way that further simplifies, not complicates, the Tax Code. Every time the Congress touches the Tax Code, as they have repeatedly since 1986, which was supposed to be the tax reform movement to end all tax reforms, we have had some 4,000 modifications to the Tax Code in this country. More laws, more regulations, more rules, more pages of instruction to the point that today we have 34½ pounds of laws, regulations and rules and instructions, 480 tax forms. It becomes increasingly more complicated.

If we could do something that would liberate the people of this country, the individuals, the families, the businesses, from the burden that is imposed by just the complexity of this Tax Code, I think we would create more jobs, we would see the economy continue to grow even faster, because it is an incredible drag on the economy to see what we do in terms of our tax policy.

But having said that, let me briefly describe the nature of our two tax bills. First of all, we have said that one of the ways we can deliver tax relief is by raising the personal exemption. Everybody in this country claims a personal exemption and then one for their dependents. We would raise that from the current \$2,700 to \$3,400, thereby reducing the taxable income that each individual and each family in this country is responsible for.

If a taxpayer is paying at the 15 percent category and they are a family of four, that is going to amount to \$400 of tax relief. For someone in the 28 percent tax bracket, that is \$800 of tax relief each year. That is real relief. That allows people in this country to make real choices about what their priorities are and how they want to spend those tax dollars. If it is on child care, they could buy 12 weeks of child care with

that, or 16 weeks of groceries. They could make a couple of mortgage payments or car payments, or start putting something aside for education. That is real relief for working Americans. That is the philosophy that we bring to this.

The second bill is also geared toward the concept of simplifying the code, moving more people into the 15 percent tax bracket. It would raise the income thresholds at which the 28 percent rate applies today. For example, for a married couple that is currently \$42,350; we would raise that to \$70,000. So, in other words, they could make \$70,000 before they start paying taxes at the 28 percent level as opposed to the 15 percent level.

Mr. Speaker, that gives people in this country an incentive to work harder, to earn more, to improve their lot in life because they know that each time they earn an additional dollar, they are only going to have 15 cents taken in taxes as opposed to a higher 28 cents if they fall into that tax category.

What our legislation does is it drops 10 million filers out of the higher 28 percent bracket down into the 15 percent bracket, thereby lowering their tax bracket on average about \$1,200 on average per filer. Mr. Speaker, 29 million people in this country would see their tax bills lowered as a result of our legislation.

These are bills that bring real relief and real choices to working families in this country. They do it, as I said earlier, in a way that delivers relief in a broad-based way. People in the lower and middle income categories realize the biggest proportionate share of the tax relief, but everybody up through the income structure, rate structure, will realize tax relief, and that is significant because it gets us away from this notion of targeting and picking winners and losers out of Washington.

I think a big mistake in tax policy in the past is that we try to micromanage behavior. We try to say to people if they will behave this way or jump through these hoops, that we will reward them. We in Washington will reward them by giving them some form of tax relief.

Our bills, on the other hand, are consistent with the philosophy that says that in an equal way, everybody in this country, whether they are single or whether they are married or whether they have children or whatever their status is, if they are a working person who pays taxes, they get tax relief. That is straightforward and simple and common sense. It delivers tax relief in a way that is consistent with our principles and philosophy.

Recently I was reading a Wall Street Journal op-ed piece by Charles Murray on Friday, February 20, which reinforces this philosophy. What he says is, "The power of incentives to affect behavior is not at issue, nor is the power of government to effect incentives. But just as the information needed to organize an economy is too complex for

central economic planners to collect and use, so are the incentives that shape human behavior too complex for central planners to engineer. The legislators write a law that pushes policy lever A and opens spending valve B, and they may indeed produce a measurable behavioral output. But it usually has no relationship to the intended output, or worse, it is the exact opposite."

Mr. Speaker, I think as we head down the road in looking again at any kind of tax relief that we might be able to do this year or next year, whenever the budget situation that we are dealing with enables us to do that, we ought to be looking at tax relief that is consistent with the principles that are outlined in our legislation.

I want to credit the gentlewoman from Washington (Ms. DUNN), who is an original cosponsor, in helping me with this legislation. The gentlewoman is a member of the House Committee on Ways and Means, a member of the House leadership, and we have since that time added several cosponsors. We are going to continue to advance this particular proposal in a way that again I think will resonate with the American people, the people who pay the taxes, and hopefully will draw the attention of policymakers here in Washington.

I would just like to, in winding up today, point out the favorable review it is meeting with in my home State of South Dakota. Look at the Brookings Register, the editorial, "In Thune, Taxpayers Should Trust." I do not think that is a reflection on me, but it is the proposal that we have outlined and one that they said is very much consistent with principles.

The Mitchell Daily Republic, "Thune Tax Plan is Real Tax Relief." That is the kind of reviews our proposal is meeting with back home. And out here, in New York, Investor's Business Daily calls it "real tax relief." This is the kind of response that we are meeting with.

Again, I think it is very, very much in line with where we ought to be going in this country in terms of tax policy, again with the long-term goal in the year 2000 of coming up with a new Tax Code for a new century. That is where we ultimately need to be.

I am going to continue to advocate for tax reform. But until we get there, to the extent that we are able to offer tax relief, it ought to be consistent with the legislation that we have introduced. I look forward to working with other Members of this body to see that this becomes a reality.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. QUINN (at the request of Mr. ARMEY) for today on account of dental reasons.