States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER pro tempore (Mr. PEASE). In the opinion of the Chair, the resolution constitutes a question of the privileges of the House under rule IX.

The gentleman from Illinois (Mr. WELLER) is recognized for 30 minutes.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is necessary to return to the Senate the bill, S. 4, which contravenes the constitutional requirement that revenue measures shall originate in the House of Representatives.

Section 202 of the bill authorizes members of the Armed Forces to participate in the Federal Thrift Savings Plan and permits them to contribute any part of a special or incentive pay that they might receive. However, it also effectively provides that the limitations of Internal Revenue Code section 415 will not apply to those extra contributions. Thus, the provision allows certain members of the uniformed services to avoid the negative tax consequences that would otherwise result in their extra contributions to the TSP. Accordingly, the provision is revenue affecting in a constitutional sense.

There are numerous precedents for this action I am requesting.

I want to emphasize that this action speaks solely to the constitutional prerogative of the House and not to the merits of the Senate bill. Proposed action today is procedural in nature, and it is necessary to preserve the prerogatives of the House to originate revenue measures, makes clear to the Senate that the appropriate procedure for dealing with revenue measures is for the House to act first on a revenue bill and for the Senate to accept it or amend it as it sees fit.

This resolution is necessary to return to the Senate the bill S. 4, the ''Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999.'' S. 4 contravenes the constitutional requirement that revenue measures shall originate in the House of Representatives.

S. 4 would provide a variety of benefits to members of the Armed Forces. I strongly support our Armed Forces and agree that we need to modernize our military and compensate our officers and enlisted personnel fairly. However, S. 4, as passed by the Senate, would not only increase the compensation of members of the Armed Forces. It would also modify the tax treatment of some of their compensation. This change in tax treatment causes S. 4 to violate the Origination Clause of the United States Constitution.

Section 202 of the bill generally authorizes members of the Armed Forces to participate in the Federal Thrift Savings Plan. In particular, section 202 of the bill adds a new section 8440e to Title 5 of the United States Code. New section 8440e generally permits members of the uniformed services or Ready Reserve who are authorized to participate in the Thrift Savings Plan to contribute up to 5 percent of their basic pay to the Thrift Savings Plan. In addition, subsection (d) of new section 8440e permits members of the uniformed services to contribute to the Thrift Savings Plan any part of their special or incentive pay they receive under section 308, 308a through 308h, or 318 of title 37. The subsection further provides in effect that the limitations of Internal Revenue Code section 415 will not apply to such contribution. Code section 415 generally provides limitations on benefits and contributions under qualified employee benefit plans.

Thus, the effect of subsection (d) of new section 8440e is to override the limits on the Thrift Savings Plan contribution imposed by Internal Revenue Code section 415. By overriding Code section 415, the provision allows certain members of the uniformed services to avoid the negative tax consequences that would result from such contributions. Accordingly, the provision is revenue-affecting in a constitutional senses.

Plainly, allowing members of the Armed Forces to participate in the Thrift Savings Plan causes a reduction in revenues as a budget scorekeeping matter, since contributions to the Thrift Savings Plan reduce the taxable incomes of participants by operation of the existing tax laws, and therefore their tax liabilities. However, the reduction in Federal revenues is viewed as an indirect effect of the provision since the provision does not attempt to specify or modify the tax rules that would otherwise apply to the provision, and therefore does not offend the constitutional requirement. Rather, new subsection (d) offends the Origination Clause because it directly amends the internal revenue laws. Subsection (d) overrides the limitations imposed by Code section 415, thereby directly modifying the tax liability of individuals who would otherwise be subject to its limits. Such a provision is plainly revenue-affecting and therefore constitutes a revenue measure in the constitutional sense. Accordingly, I am asking that the House insist on its constitutional prerogatives.

There are numerous precedents for the action I am requesting. For example, on July 21, 1994, the House returned to the Senate S. 1030, containing a provision exempting certain veteran payments from taxation. On October 7, 1994, the House returned to the Senate S. 1216, containing provisions exempting certain settlement income from taxation. On September 27, 1996, the House returned to the Senate S. 1311, containing a provision that overrode the Federal income tax rules governing recognition of tax-exempt status.

I want to emphasize that this action speaks solely to the constitutional prerogative of the House and not to the merits of the Senate bill. The proposed action today is procedural in nature and is necessary to preserve the prerogatives of the House to originate revenue measures. It makes clear to the Senate that the appropriate procedure for dealing with revenue measures is for the House to act first on a revenue bill and for the Senate to accept it or amend it as it sees fit.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. WELLER. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Speaker, the bill of which the gentleman speaks, has that been previously passed here in the House?

Mr. WELLER. Yes, Mr. Speaker.

Mr. SKELTON. And the purpose of this is to comply with the Constitution to state that it originates in the House; is that correct?

Mr. WELLER. Yes. This resolution does not address the merits of the legislation, which many Members on both sides of the aisle support. What it does is preserve the prerogatives of the House revenue-affecting measures originating in the House under the Constitution.

Mr. SKELTON. Mr. Speaker, I thank the gentleman.

Mr. WELLER. Mr. Speaker, I have no other speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAKING FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 2000

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent to consider and pass House Joint Resolution 84, making further continuing appropriations for fiscal year 2000.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. OBEY. Mr. Speaker, reserving the right to object, I think the House needs to understand exactly what it is we are doing, and I yield to the gentleman for the purpose of explaining what is happening again.

Mr. YOUNG of Florida. Mr. Speaker, I thank my friend for yielding.

Earlier this afternoon, we passed a continuing resolution taking us to December 2, 1999. Our colleagues in the Senate have asked that we extend that by one day, mainly because they need a clean vehicle over there, and that is exactly what this is, it extends continuing spending authority from December 2 to December 3, and it gives our colleagues in the Senate a clean vehicle that they need to conduct their business.

Mr. OBEY. Mr. Speaker, continuing under my reservation, I would simply note two things and then ask a question.

When we were debating how dairy would be handled, we were told that it had to be on the budget because we did not have any other vehicles. Now, in the space of about 15 minutes, the House has created two additional vehicles. I am beginning to think that we are making the keystone cops look like Barishnikov.

Mr. Speaker, I do not understand what the magic difference is between December 2 and December 3. Perhaps we could reach a compromise on December 2½. I do not know what is going on.

I mean, I have heard of continuing resolutions for a year, an hour, but not

10 minutes, which is what it has been since we passed the last one. How many more are we going to have to pass before we get our act together tonight?

Mr. YOUNG of Florida. Mr. Speaker, if the gentleman will yield further, my response to his question is rather simple. I have been advised that if we do not provide an extra vehicle for the Senate, it may be necessary for the House to either stay in session or reconvene tomorrow or the next day in order to complete legislative business. I am also advised that if they have a clean vehicle, it is very likely that we would not have to be back here sitting as the House.

Mr. OBEY. Mr. Speaker, continuing under my reservation, I would say I thought that is what we were told a few minutes ago, that we needed to pass the last one so we would not be in session.

I hope that sooner or later, we get things right.

Mr. YOUNG of Florida. Mr. Speaker, if the gentleman will yield further, I would like to say to my friend and my colleague with whom we have worked so well together throughout this year that in my opinion, we have done things right here; and I cannot answer for any other venue.

Mr. OBEY. Mr. Speaker, continuing under my reservation, I do not quarrel with that statement with respect to the committee, but I do think that this process, I have to say, has been the most chaotic that I have seen in the 31 years that I have been privileged to be a Member of this body. I do not think what is happening is the fault of the gentleman from Florida, it certainly is not mine, but I would hope that when we return in the first of the year in the next millennium, we will have a different set of arrangements that will enable us to do things in a quite different fashion.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 84

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 106–62 is further amended by striking ''November 18, 1999'' in section 106(c) and inserting in lieu thereof ''December 3, 1999'', and by striking ''$346,483,754'' in section 119 and inserting in lieu thereof ''$755,719,054''. Public Law 106–46 is amended by striking ''November 18, 1999'' and inserting in lieu thereof ''December 3, 1999''.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVILEGES OF THE HOUSE—RETURNING TO THE SENATE S. 1232, FEDERAL ERRONEOUS RETIREMENT COVERAGE CORRECTIONS ACT

Mr. WELLER. Mr. Speaker, I rise to a question of privileges of the House, and I offer a privileged resolution (H. Res. 394) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 394

Resolved, That the bill of the Senate (S. 1232) entitled the ''Federal Erroneous Retirement Coverage Corrections Act'', in the opinion of this House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of this House and that such bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER pro tempore. In the opinion of the Chair, the resolution constitutes a question of the privileges of the House under rule IX.

The gentleman from Illinois (Mr. WELLER) is recognized for 30 minutes.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution is necessary to return to the Senate the bill S. 1232 which contravenes the constitutional requirement that revenue measures shall originate in the House of Representatives. Section 401 of the bill provides that no Federal retirement plan involved in the corrections under the bill shall fail to be treated as a tax-qualified retirement plan by reason of the correction.

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The bill also provides that no amount shall be includable in the income of any individual for Federal tax purposes because of fund transfers or government contributions made pursuant to the bill.

Accordingly, section 401 is revenue affecting in a constitutional sense and the bill therefore violates the origination requirement.

There are numerous precedents for the action I am requesting. I want to emphasize this action speaks solely to the constitutional prerogative of the House and not to the merits of the Senate bill.

The proposed action today is procedural in nature and is necessary to preserve the prerogatives of the House to originate revenue measures. It makes clear to the Senate that the appropriate procedure for dealing with revenue measures is for the House to act first on a revenue bill, for the Senate to accept it or amend it as it sees fit.

This resolution is necessary to return to the Senate the bill S. 1232, which contravenes the constitutional requirement that revenue measures shall originate in the House of Representatives. The bill provides that no Federal retirement plan involved in the corrections under the bill shall fail to be treated as a tax-qualified retirement plan by reason of the correction. The bill also provides that no amounts shall be includible in the income of any individual for Federal tax purposes because of fund transfers or government contributions made pursuant to the bill. Therefore, the bill violates the origination requirement.

Section 401 of the bill provides generally that no government retirement plan shall fail to be treated as a tax-qualified plan under the Internal Revenue Code for any failure to follow plan terms, or any actions taken under the bill to correct errors in misclassification of Federal employees into the wrong Federal retirement system. In general, Federal retirement plans are subject to the same rules that apply to tax-qualified retirement plans maintained by private sector employers. For example, tax-qualified retirement plans are afforded special tax treatment under the Code. These advantages include the fact that plan participants pay no current income tax on amounts contributed on their behalf, and the fact that earnings of the plan are tax-exempt.

Because of Section 401 of the bill, Federal retirement plans and participants in those plans would retain these advantages even if actions are taken pursuant to the bill that would otherwise jeopardize this favorable tax treatment.

The Federal retirement plans are also subject to the rules applicable to tax-qualified plans that limit the amount of contributions and benefits that may be provided to a participant under a tax-qualified plan. For example, section 415 of the Code limits that amount of annual contributions that may be made to a defined contribution plan, and the amount of annual benefits that are payable from a defined benefit plan. If amounts are contributed or benefits are paid that exceed these limits, plan participants could be subject to unfavorable tax consequences. Section 401 of the bill would permit the Federal government to make-up contributions on behalf of an employee without violating applicable limits on contributions and benefits for the year in which the make-up contribution was made.

Section 401 also provides that no amounts shall be includible in the taxable income of participants in Federal retirement plans because of fund transfers or government contributions made pursuant to the bill. Without this provision, amounts transferred from fund to fund or otherwise contributed by the government could be subject to income tax under the Internal Revenue Code.

Accordingly, Section 401 is revenue-affecting in a constitutional sense.

There are numerous precedents for the action I am requesting. For example, on July 21, 1994, the House returned to the Senate S. 1030, containing a provision exempting certain veteran payments from taxation. On October 7, 1994, the House returned to the Senate S. 1216, containing provisions exempting certain settlement income from taxation.

I want to emphasize that this action speaks solely to the constitutional prerogative of the House and not to the merits of the Senate bill. The proposed action today is procedural in nature and is necessary to preserve the prerogatives of the House to originate revenue measures. It makes clear to the Senate that the appropriate procedure for dealing with revenue measures is for the House to act first on a revenue bill and for the Senate to accept it or amend it as it sees fit.