

legislation to amend the Civil Liberties Act of 1988 and for other purposes; to the Committee on the Judiciary.

2937. A letter from the Chairman, Board of Directors, Panama Canal Commission, transmitting a draft of proposed legislation to authorize expenditures for fiscal year 1993 for the operation and maintenance of the Panama Canal and for other purposes; to the Committee on Merchant Marine and Fisheries.

2938. A letter from the Postmaster General, transmitting a copy of the 1991 Comprehensive Statement on Postal Operations which discusses postal programs and policies, pursuant to 39 U.S.C. 2401(g); to the Committee on Post Office and Civil Service.

2939. A letter from the Administrator, Environmental Protection Agency, transmitting the final report on the nonpoint sources of water pollution reduction activities and programs, pursuant to Public Law 100-4, section 316 (101 Stat. 590); to the Committee on Public Works and Transportation.

2940. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and inspector general, and for other purposes; to the Committee on Science, Space, and Technology.

2941. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation entitled, "Veterans' Home Loan Improvement Act of 1992"; to the Committee on Veterans' Affairs.

2942. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the Secretary's recommendations relating to the Cochiti Dam, NM, project; jointly, to the Committees on Appropriations and Public Works and Transportation.

2943. A letter from the Secretary of Energy, transmitting the second annual report by the Department on its activities relating to the Defense Nuclear Facilities Safety Board for calendar year 1991; jointly, to the Committees on Armed Services and Energy and Commerce.

2944. A letter from the Acting Administrator, Federal Aviation Administration, transmitting the study of potential use of engine condition monitoring systems on aircraft, pursuant to Public Law 101-508, section 9117(b) (104 Stat. 1388-365); jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

2945. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the imposition of recreation user fees at water resources development areas administered by the Department of the Army; jointly, to the Committees on Public Works and Transportation and Interior and Insular Affairs.

19.4 MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4113. An Act to permit the transfer before the expiration of the otherwise applicable 60-day congressional review period of the obsolete training aircraft carrier U.S.S. *Lexington* to the Corpus Christi Area Convention and Visitors Bureau, Corpus Christi, Texas, for use as a naval museum and memorial.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2269. An Act to temporarily extend the Defense Production Act of 1950.

19.5 POINT OF ORDER

Mr. TRAFICANT rose to a point of order resulting from the Chair's denial of recognition, and said:

"I would like to know under what rule of the House such action by the Chair is taken."

The SPEAKER pro tempore, Mr. MCNULTY, overruled the point of order, and said:

"Clause 2, rule XIV."

19.6 ORDER OF BUSINESS—

CONSIDERATION OF H.R. 4210

On motion of Mr. ROSTENKOWSKI, by unanimous consent,

Ordered, That during the consideration of the bill (H.R. 4210) to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families, in the Committee of the Whole House on the state of the Union, a quorum call may be in order, with not more than fifteen minutes of debate remaining on each of the two amendments made in order by House Resolution 374.

19.7 TAX RELIEF AND ECONOMIC GROWTH

The SPEAKER pro tempore, Mr. MCNULTY, pursuant to House Resolution 374 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 4210) to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families.

Mr. DERRICK, Chairman of the Committee of the Whole, resumed the chair; and after some time spent therein,

19.8 CALL IN COMMITTEE

Mrs. KENNELLY, pursuant to the order of the House earlier today, made the point of order a quorum was not present.

A quorum not being present,

Mr. DERRICK, Chairman, directed the Members to record their presence by electronic device, and the following-named Members responded—

19.9 [Roll No. 27]

Abercrombie	Bentley	Campbell (CA)
Ackerman	Bereuter	Campbell (CO)
Alexander	Bevill	Cardin
Allard	Bilbray	Carper
Allen	Bilirakis	Carr
Anderson	Blackwell	Chandler
Andrews (ME)	Bliley	Chapman
Andrews (NJ)	Boehlert	Clay
Andrews (TX)	Boehner	Clement
Annunzio	Bonior	Clinger
Anthony	Borski	Coble
Applegate	Boucher	Coleman (MO)
Archer	Boxer	Coleman (TX)
Army	Brewster	Collins (IL)
Atkins	Brooks	Collins (MI)
AuCoin	Broomfield	Combest
Bacchus	Browder	Condit
Baker	Bruce	Conyers
Ballenger	Bryant	Cooper
Barnard	Bunning	Costello
Barrett	Burton	Coughlin
Barton	Bustamante	Cox (CA)
Bateman	Byron	Cox (IL)
Beilenson	Callahan	Coyne
Bennett	Camp	Cramer

Crane	Jacobs	Orton
Cunningham	James	Owens (UT)
Dannemeyer	Jefferson	Oxley
Darden	Jenkins	Packard
Davis	Johnson (CT)	Pallone
DeFazio	Johnson (SD)	Panetta
DeLauro	Johnson (TX)	Parker
DeLay	Johnston	Pastor
Dellums	Jones (GA)	Patterson
Derrick	Jones (NC)	Paxon
Dicks	Jontz	Payne (NJ)
Dingell	Kanjorski	Payne (VA)
Dixon	Kaptur	Pease
Donnelly	Kasich	Pelosi
Dooley	Kennedy	Penny
Doolittle	Kennelly	Perkins
Dorgan (ND)	Kildee	Peterson (FL)
Dornan (CA)	Klecza	Peterson (MN)
Downey	Klug	Petri
Dreier	Kolbe	Pickett
Duncan	Kolter	Pickle
Durbin	Kopetski	Porter
Dwyer	Kostmayer	Poshard
Dymally	Kyl	Price
Early	LaFalce	Pursell
Eckart	Lagomarsino	Quillen
Edwards (CA)	Lancaster	Rahall
Edwards (OK)	Lantos	Ramstad
Edwards (TX)	LaRocco	Rangel
Emerson	Laughlin	Ravenel
Engel	Leach	Reed
English	Lehman (CA)	Regula
Erdreich	Lehman (FL)	Rhodes
Espy	Levin (MI)	Richardson
Evans	Levine (CA)	Ridge
Ewing	Lewis (CA)	Riggs
Fascell	Lewis (FL)	Rinaldo
Fawell	Lewis (GA)	Ritter
Fazio	Lightfoot	Roberts
Feighan	Lipinski	Roe
Fields	Livingston	Roemer
Fish	Lloyd	Rogers
Flake	Long	Rohrabacher
Foglietta	Lowery (GA)	Ros-Lehtinen
Ford (MI)	Lowe (NY)	Rose
Ford (TN)	Luken	Rostenkowski
Franks (CT)	Machtley	Roth
Frost	Manton	Roukema
Gallegly	Markey	Rowland
Gallo	Marlenee	Roybal
Gaydos	Martin	Russo
Gejdenson	Martinez	Sabo
Gekas	Matsui	Sanders
Gephardt	Mavroules	Sangmeister
Geren	Mazzoli	Santorum
Gibbons	McCandless	Sarpalius
Gilchrest	McCloskey	Savage
Gillmor	McCrery	Sawyer
Gilman	McCurdy	Saxton
Gingrich	McDade	Schaefer
Glickman	McDermott	Schiff
Gonzalez	McEwen	Schroeder
Goodling	McGrath	Schulze
Gordon	McHugh	Schumer
Goss	McMillan (NC)	Sensenbrenner
Gradison	McMillen (MD)	Serrano
Grandy	McNulty	Sharp
Green	Meyers	Shaw
Guarini	Mfume	Shays
Gunderson	Michel	Sikorski
Hall (OH)	Miller (CA)	Sisisky
Hall (TX)	Miller (OH)	Skaggs
Hamilton	Miller (WA)	Skeen
Hammerschmidt	Mineta	Skelton
Hancock	Mink	Slattery
Harris	Moakley	Slaughter
Hastert	Molinari	Smith (FL)
Hatcher	Mollohan	Smith (IA)
Hayes (IL)	Montgomery	Smith (NJ)
Hayes (LA)	Moody	Smith (OR)
Hefley	Moorhead	Smith (TX)
Hefner	Moran	Snowe
Henry	Morella	Solomon
Herger	Morrison	Spence
Hertel	Mrazek	Spratt
Hoagland	Murtha	Staggers
Hobson	Myers	Stallings
Hochbrueckner	Nagle	Stark
Holloway	Natcher	Stearns
Hopkins	Neal (MA)	Stenholm
Horn	Neal (NC)	Stokes
Horton	Nichols	Studds
Houghton	Nowak	Stump
Hoyer	Nussle	Sundquist
Hubbard	Oakar	Swett
Huckaby	Oberstar	Swift
Hughes	Obey	Synar
Hunter	Olin	Tallon
Hutto	Olver	Tanner
Inhofe	Ortiz	Tauzin

Taylor (MS)	Valentine	Wheat
Taylor (NC)	Vander Jagt	Wilson
Thomas (CA)	Vento	Wise
Thomas (GA)	Visclosky	Wolf
Thomas (WY)	Volkmer	Wolpe
Thornton	Vucanovich	Wyden
Torres	Walker	Wyllie
Torricelli	Walsh	Yates
Towns	Waters	Yatron
Trafficant	Waxman	Young (AK)
Traxler	Weber	Young (FL)
Unsoeld	Weiss	Zeliff
Upton	Weldon	Zimmer

Thereupon, Mr. DERRICK, Chairman, announced that 414 Members had been recorded, a quorum.

The Committee resumed its business. After some further time,

19.10 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment in the nature of a substitute, as modified, submitted by Mr. ARCHER:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Economic Growth and Job Creation Act of 1992".

SEC. 2. TABLE OF TITLES.

- TITLE I—ENHANCED ECONOMIC RECOVERY ACT OF 1992
- TITLE II—FEDERAL INSURANCE ACCOUNTING ACT OF 1992
- TITLE III—PENSION SECURITY ACT OF 1992
- TITLE IV—ELIMINATE THE STATUTE OF LIMITATIONS ON THE COLLECTION OF DEFAULTED GUARANTEED STUDENT LOANS
- TITLE V—EXTENSION OF CURRENT LAW REGARDING LUMP-SUM WITHDRAWAL OF RETIREMENT CONTRIBUTIONS FOR CIVIL SERVICE RETIREES

TITLE I—ENHANCED ECONOMIC RECOVERY ACT OF 1992

SECTION 101. SHORT TITLE, ETC.

(a) SHORT TITLE.—This title may be cited as the "Enhanced Economic Recovery Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 SHALL NOT APPLY.—Except as otherwise expressly provided, no amendment made by this title shall be treated as a change in rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—

TABLE OF CONTENTS

TITLE I—ENHANCED ECONOMIC RECOVERY ACT OF 1992

Sec. 101. Short title, etc.

Subtitle A—Provisions Relating to Capital Gains

Sec. 111. Reduction in capital gains tax for noncorporate taxpayers.

Sec. 112. Recapture under section 1250 of total amount of depreciation.

Subtitle B—Provisions Relating to Passive Losses and Depreciation

Sec. 121. Passive loss relief for real estate developers.

Sec. 122. Special allowance for equipment acquired in 1992.

Sec. 123. Elimination of ACE depreciation adjustment.

Subtitle C—Provisions Relating to Real Estate Investments by Pension Funds
 Sec. 131. Real property acquired by a qualified organization.
 Sec. 132. Special rules for investments in partnerships.

Subtitle D—Provisions Affecting Homebuyers

Sec. 141. Credit for first-time homebuyers.
 Sec. 142. Penalty-free withdrawals for first home purchase.

Subtitle A—Provisions Relating to Capital Gains

SEC. 111. REDUCTION IN CAPITAL GAINS TAX FOR NONCORPORATE TAXPAYERS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by adding at the end thereof the following new section:

"SEC. 1202. REDUCTION IN CAPITAL GAINS TAX FOR NONCORPORATE TAXPAYERS.

"(a) DEDUCTION ALLOWED FOR CAPITAL GAINS.—

"(1) IN GENERAL.—If, for any taxable year, a taxpayer other than a corporation has a net capital gain, an amount equal to the sum of the applicable percentages of the applicable capital gain shall be allowed as a deduction.

"(2) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction under paragraph (1) shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under section 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by income beneficiaries (other than corporations) as gain derived from the sale or exchange of capital assets.

"(b) APPLICABLE PERCENTAGES.—For purposes of this subsection, the applicable percentages shall be the percentages determined in accordance with the following table:

"In the case of:	The applicable percentage is:
1-year gain	15
2-year gain	30
3-year gain	45

"(c) GAIN TO WHICH DEDUCTION APPLIES.—For purposes of this section—

"(1) APPLICABLE CAPITAL GAIN.—The term 'applicable capital gain' means 1-year gain, 2-year gain, or 3-year gain determined by taking into account only gain which is properly taken into account on or after February 1, 1992.

"(2) 3-YEAR GAIN.—The term '3-year gain' means the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the long-term capital gain determined by taking into account only gain from the sale or exchange of qualified assets held more than 3 years.

"(3) 2-YEAR GAIN.—The term '2-year gain' means the lesser of—

"(A) the net capital gain for the taxable year, reduced by 3-year gain, or

"(B) the long-term capital gain determined by taking into account only gain from the sale or exchange of qualified assets held more than 2 years but not more than 3 years.

"(4) 1-YEAR GAIN.—The term '1-year gain' means the net capital gain for the taxable year determined by taking into account only—

"(A) gain from the sale or exchange of assets held more than 1 year but not more than 2 years, and

"(B) losses from the sale or exchange of assets held more than 1 year.

"(5) SPECIAL RULES FOR GAIN ALLOCABLE TO PERIODS BEFORE 1994.—For purposes of this section—

"(A) GAIN ALLOCABLE TO PERIODS BEGINNING ON OR AFTER FEBRUARY 1, 1992 AND BEFORE

1993.—In the case of any gain from any sale or exchange which is properly taken into account for the period beginning on February 1, 1992 and ending on December 31, 1992, gain which is 1-year gain or 2-year gain (without regard to this subparagraph) shall be treated as 3-year gain.

"(B) GAIN ALLOCABLE TO 1993.—In the case of any gain from any sale or exchange which is properly taken into account for periods during 1993, gain which is 1-year gain or 2-year gain (without regard to this subparagraph) shall be treated as 2-year gain and 3-year gain, respectively.

"(6) SPECIAL RULES FOR PASS-THROUGH ENTITIES.—

"(A) IN GENERAL.—In applying this subsection with respect to any pass-through entity, the determination of when a sale or exchange has occurred shall be made at the entity level.

"(B) PASS-THROUGH ENTITY DEFINED.—For purposes of subparagraph (A), the term 'pass-through entity' means—

- "(i) a regulated investment company,
- "(ii) a real estate investment trust,
- "(iii) an S corporation,
- "(iv) a partnership,
- "(v) an estate or trust, and
- "(vi) a common trust fund.

"(7) RECAPTURE OF NET ORDINARY LOSS UNDER SECTION 1231.—For purposes of this subsection, if any amount is treated as ordinary income under section 1231(c) for any taxable year—

"(A) the amount so treated shall be allocated proportionately among the section 1231 gains (as defined in section 1231(a)) for such taxable year, and

"(B) the amount so allocated to any such gain shall reduce the amount of such gain."

(b) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 is amended by inserting after paragraph (11) the following new paragraph:

"(12) SPECIAL RULE FOR COLLECTIBLES.—

"(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

"(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

"(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m)) without regard to paragraph (3) thereof."

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)."

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end thereof the following: "and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)".

(c) MINIMUM TAX.—Section 56(b)(1) is amended by adding at the end thereof the following new subparagraph:

"(G) CAPITAL GAINS DEDUCTION DISALLOWANCE.—Except with respect to gains realized on the sale, exchange, or other disposition of