

(1) Section 267(f) is amended by adding at the end the following new paragraph:

"(4) DETERMINATION OF RELATIONSHIP RESULTING IN DISALLOWANCE OF LOSS, FOR PURPOSES OF OTHER PROVISIONS.—For purposes of any other section of this title which refers to a relationship which would result in a disallowance of losses under this section, deferral under paragraph (2) shall be treated as disallowance."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in section 174(b) of the Tax Reform Act of 1984.

(f) CLERICAL AMENDMENTS.—

(1) Clause (iii) of section 163(j)(2)(B) is amended by striking "clause (i)" and inserting "clause (ii)".

(2) Paragraph (1) of section 665(d) is amended in the last sentence by striking "or 669(d) and (e)".

(3) Subsection (g) of section 1441 (relating to cross reference) is amended by striking "one-half" and inserting "85 percent".

(4) Paragraph (1) of section 2523(g) is amended by striking "qualified remainder trust" and inserting "qualified charitable remainder trust".

(5) Subsection (d) of section 9502 is amended by redesignating the paragraph added by section 806 of the Federal Aviation Reauthorization Act of 1996 as paragraph (6).

The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

Mr. PETERSON of Minnesota moved to recommit the bill to the Committee on the Budget with instructions to report the bill back to the House forthwith with the following amendments:

Strike subsection (c) of section 1 and titles I, II, III, IV, V, VI, VII, VIII, IX, XI, XII, XIII, XIV, and XV.

Redesignate title X (relating to revenues), and each of the sections contained therein, as title I, and sections of title I, as appropriate.

Add at the end of the bill the following new title:

TITLE II—ADDITIONAL PROVISIONS

SEC. 201. ADDITIONAL PROVISIONS.

It is the sense of the House of Representatives that additional provisions should be added to the Internal Revenue Code of 1986 so that:

(1) CAPITAL GAINS REDUCTIONS.—

(A) REDUCTION IN CAPITAL GAINS TAX FOR NONCORPORATE TAXPAYERS.—Effective as of May 7, 1997, there is excluded from gross income of noncorporate taxpayers the following percentages of capital gains from the sale or exchange of assets:

- (i) 10 percent for assets held at least 1 year.
(ii) 20 percent for assets held at least 2 years.
(iii) 30 percent for assets held at least 3 years.
(iv) 40 percent for assets held at least 4 years.
(v) 50 percent for assets held five or more years.

(B) GAINS ON SALE OF PRINCIPAL RESIDENCE.—Up to \$250,000 in gain realized on the sale or exchange of a principal residence is excluded from taxation.

(2) ESTATE AND GIFT TAXES.—

(A) AMOUNTS EXCLUDED BY UNIFIED CREDIT.—The unified credit allowed to the estate of every decedent is increased, resulting in the following amounts being excluded from the estate tax:

- (i) \$700,000 in the case of decedents dying in 1998.
(ii) \$800,000 in the case of decedents dying in 1999.
(iii) \$850,000 in the case of decedents dying in 2000.

(iv) \$900,000 in the case of decedents dying in 2001.

(v) \$1,000,000 in the case of decedents dying in 2002.

(vi) \$1,100,000 in the case of decedents dying in 2003.

(vii) \$1,200,000 in the case of decedents dying in 2004 and thereafter.

(B) FAMILY FARMS AND BUSINESSES.—In addition to subparagraph (A), family farms and businesses are allowed to exclude from the gross estate up to \$1,000,000, beginning in calendar year 1998.

(3) CHILD TAX CREDIT.—There is allowed against the income tax of an individual a nonrefundable credit for dependents under age 17 in the following amounts:

- (A) \$300 in taxable years beginning in 1997, 1998, and 1999, and
(B) \$500 thereafter.

The credit is phased out for taxpayers whose adjusted gross income is between \$60,000 and \$75,000.

(4) TAX REDUCTIONS RELATED TO EDUCATIONAL EXPENSES.—There is allowed against the income tax of an individual—

(A) a credit of \$1,500 per year for up to two years for higher education expenses, which credit—

(i) beginning with adjusted gross income of \$50,000 (\$80,000 in the case of a joint return), is phased out ratably over a range of \$20,000; and

(ii) is phased in by substituting—

(I) '\$1,100' for '\$1,500' in taxable years beginning in 1997, 1998, and 1999, and

(II) '\$1,200' for '\$1,500' in the taxable year beginning in 2000; and

(B) a deduction of \$10,000 (\$5,000 in 1997 and 1998) for higher education fees and tuition, which amount is phased out ratably over a range of \$20,000, beginning with adjusted gross income of \$50,000 (\$80,000 in the case of a joint return).

After debate,

By unanimous consent, the previous question was ordered on the motion to recommit with instructions.

The question being put, viva voce, Will the House recommit said bill with instructions?

The SPEAKER pro tempore, Mr. LAHOOD, announced that the nays had it.

Mr. PETERSON of Minnesota demanded a recorded vote on agreeing to said motion, which demand was supported by one-fifth of a quorum, so a recorded vote was ordered.

The vote was taken by electronic device.

It was decided in the { Yeas ..... 164 negative ..... Nays ..... 268

74.11

[Roll No. 244]

AYES—164

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Boswell
Boucher
Boyd
Brown (CA)
Brown (OH)
Capps
Cardin
Carson

Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeGette
Delahunt
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley

Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Ford
Frost
Furse
Gejdenson
Gonzalez
Goode
Green
Hall (OH)
Hall (TX)
Hamilton

Harman
Hastings (FL)
Hefner
Hilliard
Hinchev
Hinojosa
Holden
Hooley
Hoyer
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kaptur
Kennedy (MA)
Kennelly
Kildee
Kind (WI)
Klecza
Klink
LaFalce
Lampson
Lantos
Levin
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Brady
Brown (FL)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combust
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeFazio
DeLauro
DeLay
Dellums
Diaz-Balart
Dickey
Doolittle

Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McHale
McIntyre
McKinney
McNulty
Menendez
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Roemer

NOES—268

Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kasich

Rothman
Rush
Sabo
Sanchez
Sandlin
Sawyer
Schumer
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stenholm
Stokes
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Towns
Turner
Vento
Watt (NC)
Wexler
Weygand
Wise
Woolsey
Wynn

Kelly
Kennedy (RI)
Kilpatrick
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McGovern
McHugh
McInnis
McIntosh
McKeon
Meek
Metcalf
Mica
Miller (CA)
Miller (FL)
Molinari
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Payne
Pease
Pelosi
Peterson (PA)
Petri
Pickering
Pitts

Pombo  
Porter  
Portman  
Pryce (OH)  
Quinn  
Radanovich  
Ramstad  
Redmond  
Regula  
Riggs  
Riley  
Rivers  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Roybal-Allard  
Royce  
Ryun  
Salmon  
Sanders  
Sanford  
Saxton  
Scarborough  
Schaefer, Dan  
Schaffer, Bob

Scott  
Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Sherman  
Shimkus  
Shuster  
Skeen  
Smith (MI)  
Smith (NJ)  
Smith (OR)  
Smith (TX)  
Smith, Linda  
Snowbarger  
Solomon  
Soybal-Allard  
Spence  
Stark  
Stearns  
Strickland  
Stump  
Sununu  
Talent  
Tauzin  
Taylor (NC)

Thomas  
Thornberry  
Thune  
Tiahrt  
Tierney  
Torres  
Traficant  
Upton  
Velazquez  
Visclosky  
Walsh  
Wamp  
Waters  
Watkins  
Watts (OK)  
Waxman  
Weldon (FL)  
Weldon (PA)  
Weller  
White  
Whitfield  
Wicker  
Wolf  
Young (AK)  
Young (FL)

NOT VOTING—3

Meehan Schiff Yates

So the motion to recommit with instructions was not agreed to.

The question being put, viva voce,  
Will the House pass said bill?

The SPEAKER pro tempore, Mr. LAHOOD, announced that the yeas had it.

Mr. ARCHER demanded a recorded vote on passage of said bill, which demand was supported by one-fifth of a quorum, so a recorded vote was ordered.

The vote was taken by electronic device.

It was decided in the { Yeas ..... 253  
affirmative ..... } Nays ..... 179

¶74.12 [Roll No. 245]  
AYES—253

Aderholt  
Archer  
Armey  
Bachus  
Baesler  
Baker  
Ballenger  
Barr  
Barrett (NE)  
Bartlett  
Barton  
Bass  
Bateman  
Bereuter  
Bilbray  
Bilirakis  
Bliley  
Blunt  
Boehlert  
Boehner  
Bonilla  
Bono  
Boswell  
Brady  
Bryant  
Bunning  
Burr  
Burton  
Buyer  
Callahan  
Calvert  
Camp  
Canady  
Cannon  
Castle  
Chabot  
Chambliss  
Chenoweth  
Christensen  
Clement  
Coble  
Coburn  
Collins  
Combest  
Condit

Cook  
Cooksey  
Cox  
Cramer  
Crane  
Crapo  
Cubin  
Cunningham  
Danner  
Davis (VA)  
Deal  
DeLay  
Diaz-Balart  
Dickey  
Dicks  
Dooley  
Doolittle  
Dreier  
Duncan  
Dunn  
Donella  
Ehlers  
Ehrlich  
Emerson  
English  
Ensign  
Everett  
Ewing  
Fawell  
Foley  
Forbes  
Fowler  
Fox  
Franks (NJ)  
Frelinghuysen  
Gallegly  
Ganske  
Gekas  
Gibbons  
Gilchrist  
Gillmor  
Gilman  
Gingrich  
Goode  
Goodlatte  
Goodling

Gordon  
Goss  
Graham  
Granger  
Greenwood  
Gutknecht  
Hall (TX)  
Hansen  
Harman  
Hastert  
Hastings (WA)  
Hayworth  
Hefley  
Herger  
Hill  
Hilleary  
Hobson  
Hoekstra  
Horn  
Hostettler  
Houghton  
Hulshof  
Hunter  
Hutchinson  
Hyde  
Inglis  
Istook  
Jenkins  
John  
Johnson (CT)  
Johnson, Sam  
Jones  
Kasich  
Kelly  
Kim  
King (NY)  
Kingston  
Klug  
Knollenberg  
Kolbe  
LaHood  
Largent  
Latham  
LaTourette  
Lazio

Leach  
Lewis (CA)  
Lewis (KY)  
Linder  
Lipinski  
Livingston  
LoBiondo  
Lucas  
Maloney (CT)  
Manzullo  
McCarthy (NY)  
McCollum  
McCrery  
McDade  
McHugh  
McInnis  
McIntosh  
McIntyre  
McKeon  
Metcalf  
Mica  
Miller (FL)  
Molinari  
Moran (KS)  
Morella  
Myrick  
Nethercutt  
Neumann  
Ney  
Northup  
Norwood  
Nussle  
Oxley  
Packard  
Pappas  
Parker  
Paul  
Paxon  
Pease  
Peterson (PA)

Petri  
Pickering  
Pickett  
Pitts  
Pombo  
Porter  
Portman  
Pryce (OH)  
Quinn  
Radanovich  
Ramstad  
Redmond  
Regula  
Riggs  
Riley  
Roemer  
Rogan  
Rogers  
Rohrabacher  
Ros-Lehtinen  
Roukema  
Royce  
Ryun  
Salmon  
Sanchez  
Sandlin  
Sanford  
Saxton  
Scarborough  
Schaefer, Dan  
Schaffer, Bob  
Sensenbrenner  
Sessions  
Shadegg  
Shaw  
Shays  
Sherman  
Shimkus  
Shuster  
Sisisky

NOES—179

Abercrombie  
Ackerman  
Allen  
Andrews  
Baldacci  
Barcia  
Barrett (WI)  
Becerra  
Bentsen  
Berman  
Berry  
Bishop  
Blagojevich  
Blumenauer  
Bonior  
Borski  
Boucher  
Boyd  
Brown (CA)  
Brown (FL)  
Brown (OH)  
Campbell  
Capps  
Cardin  
Carson  
Clay  
Clayton  
Clyburn  
Conyers  
Costello  
Coyne  
Cummings  
Davis (FL)  
Davis (IL)  
DeFazio  
DeGette  
Delahunt  
DeLauro  
Dellums  
Deutsch  
Dingell  
Dixon  
Doggett  
Doyle  
Edwards  
Engel  
Eshoo  
Etheridge  
Evans  
Farr  
Fattah  
Fazio  
Filner  
Flake  
Foglietta  
Ford  
Frank (MA)  
Frost

Furse  
Gejdenson  
Gephardt  
Gonzalez  
Green  
Gutierrez  
Hall (OH)  
Hamilton  
Hastings (FL)  
Hefner  
Hilliard  
Hinchev  
Hinojosa  
Holden  
Hooley  
Hoyer  
Jackson (IL)  
Jackson-Lee  
(TX)  
Jefferson  
Johnson (WI)  
Johnson, E.B.  
Kanjorski  
Kaptur  
Kennedy (MA)  
Kennedy (RI)  
Kennelly  
Kildee  
Kilpatrick  
Kind (WI)  
Kleczka  
Klink  
Kucinich  
LaFalce  
Lampson  
Lantos  
Levin  
Lewis (GA)  
Lofgren  
Lowe  
Luther  
Maloney (NY)  
Manton  
Markey  
Martinez  
Mascara  
Matsui  
McCarthy (MO)  
McDermott  
McGovern  
McHale  
McKinney  
McNulty  
Meek  
Menendez  
Millender  
McDonald  
Miller (CA)

Skeen  
Skelton  
Smith (MI)  
Smith (NJ)  
Smith (OR)  
Smith (TX)  
Smith, Linda  
Snowbarger  
Solomon  
Souder  
Spence  
Stearns  
Stump  
Sununu  
Talent  
Tauzin  
Taylor (MS)  
Taylor (NC)  
Thomas  
Thornberry  
Thune  
Tiahrt  
Traficant  
Turner  
Upton  
Walsh  
Wamp  
Watkins  
Watts (OK)  
Weldon (FL)  
Weldon (PA)  
Weller  
White  
Whitfield  
Wicker  
Wolf  
Young (AK)  
Young (FL)

Watt (NC)  
Waxman  
Wexler

Weygand  
Wise  
Woolsey

Wynn

NOT VOTING—3

Meehan Schiff Yates

So the bill was passed.  
A motion to reconsider the vote whereby said bill was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said bill.

¶74.13 MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

¶74.14 PROVIDING FOR THE CONSIDERATION OF H.R. 2016

Mrs. MYRICK, by direction of the Committee on Rules, reported (Rept. No. 105-156) the resolution (H. Res. 178) providing for consideration of the bill (H.R. 2016) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, and for the purposes.

When said resolution and report were referred to the House Calendar and ordered printed.

¶74.15 PERMISSION TO FILE REPORT

On motion of Mr. REGULA, by unanimous consent, the Committee on Appropriations was granted permission until midnight Tuesday, July 1, 1997, to file a privileged report on the bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

Pursuant to clause 8 of rule XXI, all points of order were reserved.

¶74.16 ALBANIA ELECTIONS

On motion of Mr. GILMAN, by unanimous consent, the Committee on International Relations was discharged from further consideration of the following concurrent resolution (H. Con. Res. 105):

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

- (1) the elections in Albania scheduled for June 29, 1997, should be free and open; and
- (2) all political parties of Albania should honor the results of such elections.

When said concurrent resolution was considered and agreed to.

A motion to reconsider the vote whereby said concurrent resolution was agreed to was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said concurrent resolution.

¶74.17 PERMISSION TO FILE REPORT

On motion of Mr. LEACH, by unanimous consent, the Committee on Banking and Financial Services was granted permission until midnight Thursday, July 3, 1997, to file a report on the bill (H.R. 10) to enhance competition in the