

Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Mongolia; and

(B) after making a determination under subparagraph (A) with respect to Mongolia, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) **TERMINATION OF APPLICATION OF TITLE IV.**—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Mongolia, title IV of the Trade Act of 1974 shall cease to apply to that country.

**SEC. 2425. ENHANCED CARGO INSPECTION PILOT PROGRAM.**

(a) **IN GENERAL.**—The Commissioner of Customs is authorized to establish a pilot program for fiscal year 1999 to provide 24-hour cargo inspection service on a fee-for-service basis at an international airport described in subsection (b). The Commissioner may extend the pilot program for fiscal years after fiscal year 1999 if the Commissioner determines that the extension is warranted.

(b) **AIRPORT DESCRIBED.**—The international airport described in this subsection is a multimodal international airport that—

(1) is located near a seaport; and

(2) serviced more than 185,000 tons of air cargo in 1997.

**SEC. 2426. PAYMENT OF EDUCATION COSTS OF DEPENDENTS OF CERTAIN CUSTOMS SERVICE PERSONNEL.**

Notwithstanding section 2164 of title 10, United States Code, the Department of Defense shall permit the dependent children of deceased United States Customs Aviation Group Supervisor Pedro J. Rodriguez attending the Antilles Consolidated School System in Puerto Rico, to complete their primary and secondary education within this school system without cost to such children or any parent, relative, or guardian of such children. The United States Customs Service shall reimburse the Department of Defense for reasonable education expenses to cover these costs.

**TITLE III—AMENDMENTS TO INTERNAL REVENUE CODE OF 1986**

**SEC. 3001. PROPERTY SUBJECT TO A LIABILITY TREATED IN SAME MANNER AS ASSUMPTION OF LIABILITY.**

(a) **REPEAL OF PROPERTY SUBJECT TO A LIABILITY TEST.**—

(1) **SECTION 357.**—Section 357(a)(2) of the Internal Revenue Code of 1986 (relating to assumption of liability) is amended by striking “, or acquires from the taxpayer property subject to a liability”.

(2) **SECTION 358.**—Section 358(d)(1) of such Code (relating to assumption of liability) is amended by striking “or acquired from the taxpayer property subject to a liability”.

(3) **SECTION 368.**—

(A) Section 368(a)(1)(C) of such Code is amended by striking “, or the fact that property acquired is subject to a liability,”.

(B) The last sentence of section 368(a)(2)(B) of such Code is amended by striking “, and the amount of any liability to which any property acquired from the acquiring corporation is subject.”.

(b) **CLARIFICATION OF ASSUMPTION OF LIABILITY.**—

(1) **IN GENERAL.**—Section 357 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) **DETERMINATION OF AMOUNT OF LIABILITY ASSUMED.**—

“(1) **IN GENERAL.**—For purposes of this section, section 358(d), section 362(d), section 368(a)(1)(C), and section 368(a)(2)(B), except as provided in regulations—

“(A) a recourse liability (or portion thereof) shall be treated as having been assumed if, as determined on the basis of all facts and circumstances, the transferee has agreed to, and is

expected to, satisfy such liability (or portion), whether or not the transferor has been relieved of such liability; and

“(B) except to the extent provided in paragraph (2), a nonrecourse liability shall be treated as having been assumed by the transferee of any asset subject to such liability.

“(2) **EXCEPTION FOR NONRECOURSE LIABILITY.**—The amount of the nonrecourse liability treated as described in paragraph (1)(B) shall be reduced by the lesser of—

“(A) the amount of such liability which an owner of other assets not transferred to the transferee and also subject to such liability has agreed with the transferee to, and is expected to, satisfy; or

“(B) the fair market value of such other assets (determined without regard to section 7701(g)).

“(3) **REGULATIONS.**—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and section 362(d). The Secretary may also prescribe regulations which provide that the manner in which a liability is treated as assumed under this subsection is applied, where appropriate, elsewhere in this title.”.

(2) **LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.**—Section 362 of such Code is amended by adding at the end the following new subsection:

“(d) **LIMITATION ON BASIS INCREASE ATTRIBUTABLE TO ASSUMPTION OF LIABILITY.**—

“(1) **IN GENERAL.**—In no event shall the basis of any property be increased under subsection (a) or (b) above the fair market value of such property (determined without regard to section 7701(g)) by reason of any gain recognized to the transferor as a result of the assumption of a liability.

“(2) **TREATMENT OF GAIN NOT SUBJECT TO TAX.**—Except as provided in regulations, if—

“(A) gain is recognized to the transferor as a result of an assumption of a nonrecourse liability by a transferee which is also secured by assets not transferred to such transferee; and

“(B) no person is subject to tax under this title on such gain,

then, for purposes of determining basis under subsections (a) and (b), the amount of gain recognized by the transferor as a result of the assumption of the liability shall be determined as if the liability assumed by the transferee equaled such transferee's ratable portion of such liability determined on the basis of the relative fair market values (determined without regard to section 7701(g)) of all of the assets subject to such liability.”.

(c) **APPLICATION TO PROVISIONS OTHER THAN SUBCHAPTER C.**—

(1) **SECTION 584.**—Section 584(h)(3) of the Internal Revenue Code of 1986 is amended—

(A) by striking “, and the fact that any property transferred by the common trust fund is subject to a liability,” in subparagraph (A); and

(B) by striking clause (ii) of subparagraph (B) and inserting:

“(ii) **ASSUMED LIABILITIES.**—For purposes of clause (i), the term ‘assumed liabilities’ means any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A).

“(C) **ASSUMPTION.**—For purposes of this paragraph, in determining the amount of any liability assumed, the rules of section 357(d) shall apply.”.

(2) **SECTION 1031.**—The last sentence of section 1031(d) of such Code is amended—

(A) by striking “assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability” and inserting “assumed (as determined under section 357(d)) a liability of the taxpayer”; and

(B) by striking “or acquisition (in the amount of the liability)”.

(d) **CONFORMING AMENDMENTS.**—

(1) Section 351(h)(1) of the Internal Revenue Code of 1986 is amended by striking “, or acquires property subject to a liability,”.

(2) Section 357 of such Code is amended by striking “or acquisition” each place it appears in subsection (a) or (b).

(3) Section 357(b)(1) of such Code is amended by striking “or acquired”.

(4) Section 357(c)(1) of such Code is amended by striking “, plus the amount of the liabilities to which the property is subject,”.

(5) Section 357(c)(3) of such Code is amended by striking “or to which the property transferred is subject”.

(6) Section 358(d)(1) of such Code is amended by striking “or acquisition (in the amount of the liability)”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to transfers after October 18, 1998.

The SPEAKER pro tempore, Mr. PETRI, recognized Ms. DUNN and Mr. LEVIN, each for 20 minutes.

After debate,

The question being put, viva voce,

Will the House suspend the rules and agree to said amendment?

The SPEAKER pro tempore, Mr. PETRI, announced that two-thirds of the Members present had voted in the affirmative.

Ms. DUNN demanded that the vote be taken by the yeas and nays, which demand was supported by one-fifth of the Members present, so the yeas and nays were ordered.

The SPEAKER pro tempore, Mr. PETRI, pursuant to clause 8, rule XX, announced that further proceedings on the motion were postponed.

**§ 59.13 UNIDENTIFIED AND MISSING PERSONS REPORTING**

Mr. LAZIO moved to suspend the rules and pass the bill (H.R. 1915) to provide grants to the States to improve the reporting of unidentified and missing persons.

The SPEAKER pro tempore, Mr. PETRI, recognized Mr. LAZIO and Mr. LAMPSON, each for 20 minutes.

After debate,

The question being put, viva voce,

Will the House suspend the rules and pass said bill?

The SPEAKER pro tempore, Mr. PETRI, announced that two-thirds of the Members present had voted in the affirmative.

Mr. LAZIO demanded that the vote be taken by the yeas and nays, which demand was supported by one-fifth of the Members present, so the yeas and nays were ordered.

The SPEAKER pro tempore, Mr. PETRI, pursuant to clause 8, rule XX, announced that further proceedings on the motion were postponed.

**§ 59.14 RECESS—2:35 P.M.**

The SPEAKER pro tempore, Mr. PETRI, pursuant to clause 12 of rule I, declared the House in recess at 2 o'clock 35 minutes p.m. until approximately 6 o'clock p.m.

**§ 59.15 AFTER RECESS—6:02 P.M.**

The SPEAKER pro tempore, Mr. EWING, called the House to order.

**§ 59.16 UNFINISHED BUSINESS—APPROVAL OF THE JOURNAL**

The SPEAKER pro tempore, Mr. EWING, pursuant to clause 8, rule XX,

announced the unfinished business to be the question on agreeing to the Chair's approval of the Journal of Thursday, May 27, 1999.

The question being put, viva voce, Will the House agree to the Chair's approval of said Journal?

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

Mr. LAZIO objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present, The roll was called under clause 6, rule XX, and the call was taken by electronic device.

When there appeared .... { Yeas ..... 325 Nays ..... 42 Answered present 3

¶59.17 [Roll No. 167] YEAS—325

- Abercrombie Allen Armye Bachus Baird Baker Baldacci Baldwin Ballenger Barcia Barr Barrett (NE) Barrett (WI) Bartlett Barton Bass Bentsen Bereuter Berkley Berry Biggett Bilirakis Bishop Blagojevich Blumenauer Blunt Boehlert Boehner Bonilla Boswell Boucher Boyd Brady (PA) Brady (TX) Bryant Burr Callahan Calvert Camp Campbell Canady Capps Capuano Cardin Castle Chambliss Clayton Clement Coble Collins Combest Condit Cook Cox Coyne Cramer Crowley Cubin Cummings Cunningham Davis (FL) Davis (IL) Davis (VA) Deal Delahunt DeLauro DeLay DeMint Deutsch

- Myrick Nadler Napolitano Neal Nethercutt Ney Northup Norwood Nussle Obey Oliver Ortiz Ose Owens Packard Pascrell Pastor Paul Payne Pease Peterson (PA) Petri Phelps Pickering Pitts Pomeroy Porter Portman Price (NC) Pryce (OH) Quinn Radanovich Rahall Regula Reyes Reynolds Riley Rivers Rodriguez

NAYS—42

- Aderholt Bilbray Bonior Brown (OH) Clyburn Costello Crane DeFazio Dingell English Filner Gephardt Gibbons Green (TX) Gutknecht

ANSWERED "PRESENT"—3

- Carson Conyers Smith (MI)

NOT VOTING—63

- Ackerman Andrews Archer Bateman Becerra Berman Bilely Bono Borski Brown (CA) Brown (FL) Burton Buyer Cannon Chenoweth Clay Coburn Cooksey Danner DeGette Ehrlich

So the Journal was approved.

¶59.18 H.R. 435—UNFINISHED BUSINESS

The SPEAKER pro tempore, Mr. EWING, pursuant to clause 8, rule XX, announced the further unfinished business to be the motion to suspend the rules and agree to the amendment of the Senate to the bill (H.R. 435) to make miscellaneous and technical changes to various trade laws, and for other purposes.

The question being put,

Will the House suspend the rules and agree to the amendment of the Senate to said bill?

The vote was taken by electronic device.

It was decided in the { Yeas ..... 375 affirmative ..... Nays ..... 1

¶59.19 [Roll No. 168] YEAS—375

- Abercrombie Aderholt Allen Archer Armye Bachus Baird Baker Baldacci Baldwin Ballenger Barcia Barrett (NE) Barrett (WI) Bartlett Barton Bass Bentsen Bereuter Berkley Berry Biggett Bilbray Bilirakis Bishop Blagojevich Blumenauer Blunt Boehlert Boehner Bonilla Bonior Boswell Boucher Boyd Brady (PA) Brady (TX) Brown (OH) Bryant Callahan Calvert Camp Campbell Canady Capps Capuano Cardin Carson Castle Chabot Chambliss Clayton Clement Clyburn Coble Collins Combest Condit Conyers Cook Costello Cox Coyne Cramer Crane Crowley Cubin Cummings Cunningham Davis (FL) Davis (IL) Davis (VA) Deal DeFazio Delahunt DeLauro DeLay DeMint Deutsch Diaz-Balart Dickey Dicks Dixon Doggett Dooley Doolittle