

made to a 401(k) plan (or a similar arrangement) generally to \$9,240 for 1995 (adjusted for inflation in \$500 increments).

(5) Code section 403(b): limits the amount of annual contributions that may be made to a tax-sheltered annuity (maintained by certain tax-exempt entities and public educational organizations) generally to the excess of the product of 20 percent of compensation times the participant's years of service over the amount contributed in prior years. In addition, contributions to a tax-sheltered annuity are subject to annual limit of \$9,500.

(6) Code section 408(k): limits the amount of elective deferrals that may be made by a highly compensated employee to a simplified employee pension (maintained by smaller employers) based on the amount of elective deferrals made by nonhighly compensated employees.

(7) Code section 415: limits the amount of annual benefits that may be paid from a defined benefit plan generally to the lesser of \$120,000 or 100 percent of the participant's average compensation for the highest three years of compensation, and limits the amount of annual contributions that can be made to a defined contribution plan to the lesser of \$30,000 or 25 percent of compensation.

Second, I want to briefly add my little voice to the debate on health care. The President, as I recall, in previous times has proposed that the Medicare spending be slowed, and that is what the Republicans have said.

The President has said we should have a tax cut for the middle class, echoed by the gentleman from Missouri [Mr. GEPHARDT], and the Republicans have said the same thing.

So, if someone is cutting someplace, it must be everybody is cutting, if that is the right word to use. But in the meantime, we believe that we are on the right track to balance the budget.

Mrs. SMITH of Washington. Mr. Speaker, I rise in strong support of legislation to eliminate the so-called source tax. This is the single-biggest issue for many of my constituents who suffer from this nefarious tax. Many of my constituents have waited many years for the source tax to be eliminated. I believe the 104th Congress will finally end this tax once and for all.

Having fought this unfair tax at the State level when I served in the Washington State Legislature, I am quite familiar with the long, hard journey that retirees have traveled to see this tax repealed.

The source tax is truly taxation without representation. By levying a source tax, States are able to target the retirement income of nonresidents even though the nonresidents receive no benefits or services in return for the assessed taxes. Thousands of residents throughout my home State of Washington have been burdened by this unfair tax.

Many of these retirees once worked in the neighboring States of Oregon or California and found Washington to be a popular place to retire since Washington did not impose a State income tax. Unfortunately, these retirees have seen a good portion of their retirement income go to another State's coffers. These retirees are paying for another State's taxes and do not even get the benefit of the services that their taxes finance.

While I want to thank everyone who has written or called in support of this legislation,

I especially want to thank Jim Dawes of Sequim, WA, for his diligent efforts to repeal the source tax. He has been a tireless advocate on behalf of the countless people in Washington State who are subjected to this tax.

Ms. DUNN of Washington. Mr. Speaker, as a cosponsor of H.R. 394, I am pleased to lend my support to this bill under suspension of the rules. H.R. 394 will eliminate the so-called source tax, a misguided provision of Federal law which allows States to tax retirement income of nonresidents.

The source tax is nothing less than taxation without representation and contradicts a fundamental American principle. Not only is it wrong to allow States to tax the pensions and retirement income of Americans who have moved out of the State, but it is an unfair burden on retirees whose current State also lays claim to the income. I have heard from countless constituents who have relayed their stories of how States across the country extend their arms into the hard-earned pensions of retirees who have moved to Washington State. This is simply unacceptable.

Retirees are currently forced to somehow calculate the portion of taxes to be allocated to each State. Simply put, Mr. Chairman, retirees should not be forced to pay taxes to a State in which they no longer reside and no longer vote. I urge my colleagues to end this practice and suspend the rules and pass H.R. 394 to return fairness to taxpayers in Washington State and across the country.

Mr. HEINEMAN. Mr. Speaker, I rise today to express my strong support for H.R. 394. This legislation will provide some much needed tax relief to our Nation's retirees. Current law allows a State to tax a retiree's pension income even when they no longer live in that State. I believe that is wrong. H.R. 394 will correct this problem.

H.R. 394 prohibits States from taxing the pension income of nonresident retirees. It is unfair for some States to take money away from seniors and retirees who do not even live in that State and may have not lived there for years. This represents taxation without representation and needs to stop.

Time and again I have heard my colleagues say that we should not unfairly burden our Nation's senior citizens and retirees. I agree. As a senior, I believe this Congress needs to stand up for what is right and support this important legislation. If this Congress does not act, some States will continue to tax retirees living in other States. Do not let this injustice continue, support H.R. 394.

Mr. GEKAS. Mr. Speaker, I have no further requests for time at this time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HAYWORTH). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GEKAS] that the House suspend the rules and pass the bill, H.R. 394, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that all Members may

have 5 legislative days within which to revise and extend their remarks on H.R. 394, the bill just passed.

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

There was no objection.

EXTENSION OF AU PAIR PROGRAMS

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1465) to extend au pair programs.

The Clerk read as follows:

S. 1465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AU PAIR PROGRAMS.

(A) REPEAL.—Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101-454) is repealed.

(b) AUTHORITY FOR AU PAIR PROGRAMS.—The Director of the United States Information Agency is authorized to continue to administer an au pair program, operating on a world-wide basis, through fiscal year 1997.

(c) REPORT.—Not later than October 1, 1996, the Director of the United States Information Agency shall submit a report regarding the continued extension of au pair programs to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives. This report shall specifically detail the compliance of all au pair organizations with regulations governing au pair programs as published on February 15, 1995.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. SMITH] will be recognized for 20 minutes, and the gentleman from Maryland [Mr. WYNN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

The au pair program, which is reauthorized by S. 1465, is administered by the United States Information Agency, USIA, and it has been an effective means of giving young people from overseas an educational year in the United States and also providing hard-working American families with many hours per week of high-quality child care.

The au pair program is a win-win situation, and I believe it deserves to be reauthorized.

Several of our colleagues, Mr. Speaker, deserve very special credit for their persistent efforts to get this bill before us. I speak especially of the gentleman from California [Mr. BAKER], who earlier this year appeared before our Subcommittee on International Operations and Human Rights and gave compelling testimony as to the value of this important program. I would also like to single out other strong proponents, including the gentleman from Virginia [Mr. WOLF], the gentleman from Virginia [Mr. DAVIS], and the gentleman from Virginia [Mr. MORAN], and, of course, the gentleman from New York