UNFAIRNESS IN TAX CODE: MARRIAGE TAX PENALTY

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. WELLER. Mr. Speaker, a series of very simple questions state why passage of the Marriage Tax Elimination Act is so important. Do Americans feel it is fair that our Tax Code punishes marriage with a higher tax? Do Americans feel that it is fair that 21 million married working couples with two incomes pay on the average $1,400 more in taxes just because they are married? Do Americans feel that it is right that our Tax Code actually provides an incentive to get divorced?

Of course not. Americans recognize the marriage tax penalty is wrong; it is unfair; it is immoral. They also recognize that 21 million married working couples are paying $1,400 more. In the south side of Chicago, in the south suburbs, $1,400 dollars is real money for real people, one year's tuition at Joliet Junior College or 3 months of day care at a local day care center.

The Marriage Tax Elimination Act has 238 cosponsors, a majority of the House. Let us eliminate the marriage tax penalty. Let us eliminate it now.

Mr. Speaker, I rise today to highlight what is arguably the most unfair provision in the U.S. Tax code: the marriage tax penalty. I want to thank you for your long term interest in bringing parity to the tax burden imposed on working married couples compared to a couple living together outside of marriage.

In January, President Clinton gave his State of the Union Address outlining many of the things he wants to do with the budget surplus.

A surplus provided by the bipartisan budget agreement which: cut waste; put America's fiscal house in order; and held Washington's feet to the fire to balance the budget.

While President Clinton paraded a long list of new spending totaling at least $46–$48 billion in new programs—we believe that a top priority should be returning the budget surplus to America's families as additional middle-class tax relief.

This Congress has given more tax relief to the middle class and working poor than any Congress of the last half century.

I think the issue of the marriage penalty can best be framed by asking these questions: Do Americans feel it's fair that our tax code imposes a higher tax penalty on marriage? Do Americans feel it's fair that the average married working couple pays almost $1,400 more in taxes than a couple with almost identical income living together outside of marriage? Is it right that our tax code provides an incentive to get divorced?

In fact, today the only form one can file to avoid the marriage tax penalty is paperwork for divorce. And that is just wrong!

Since 1969, our tax laws have punished married couples when both spouses work. For no other reason than the decision to be joined in holy matrimony, more than 21 million couples a year are penalized. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it's wrong that our tax code punishes society's most basic institution. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with children. In many case sit is a working women's issue.

Let me give you an example of how the marriage tax penalty unfairly affects middle class married working couples.

For example, a machinist, at a Caterpillar manufacturing plant in my home district of Joliet, makes $30,500 a year in salary. His wife is a tenured elementary school teacher, also bringing home $30,500 a year in salary. If they would both file their taxes as singles, as individuals, they would pay 15%.

MARRIAGE PENALTY EXAMPLE IN THE SOUTH SUBURBS

	Machinist	School Teacher	Couple
Adjusted gross income	$30,500	$30,500	$61,000
Less personal exemption and standard deduction	6,550	6,550	11,800
Taxable income	23,950	23,950	49,200
Tax liability	3592.5	3592.5	8563
Marriage penalty: $1378.			

But if they chose to live their lives in holy matrimony, and now file jointly, their combined income of $61,000 pushes them into a higher tax bracket of 28 percent, producing a tax penalty of $1400 in higher taxes.

On average, America's married working couples pay $1,400 more a year in taxes than individuals with the same incomes. That's serious money. Every day we get closer to April 15th more married couples will be realizing that they are suffering the marriage tax penalty.

Particularly if you think of it in terms of: a down payment on a house or car; one year's tuition at a local community college; or several months' worth of quality child care at a local day care center.

To that end, Congressman DAVID MCINTOSH and I have authored the Marriage Tax Elimination Act.

It would allow married couples a choice in filing their income taxes, either jointly or as individuals—whichever way lets them keep more of their own money.

Our bill already has the bipartisan cosponsorship of 232 Members of the House and a similar bill in the Senate also enjoys widespread support.

It isn't enough for President Clinton to suggest tax breaks for child care. The President's child care proposal would help a working couple afford, on average, three weeks of day care. Elimination of the marriage tax penalty would give the same couple the choice of paying for three months of child care or addressing other family priorities. After all, parents know better than Washington what their family needs.

We fondly remember the 1996 State of the Union address when the President declared emphatically that, quote ''the era of big government is over.''

We must stick to our guns, and stay the course.

There never was an American appetite for big government.

But there certainly is for reforming the existing way government does business.

And what better way to show the American people that our government will continue along the path to reform and prosperity than by eliminating the marriage tax penalty.

Ladies and gentlemen, we are on the verge of running a surplus. It's basic math.

It means Americans are already paying more than is needed for government to do the job we expect of it.

What better way to give back than to begin with mom and dad and the American family—the backbone of our society.

We ask that President Clinton join with Congress and make elimination of the marriage tax penalty . . . a bipartisan priority.

Of all the challenges married couples face in providing home and hearth to America's children, the U.S. tax code should not be one of them.

Let's eliminate the marriage tax penalty and do it now!

WHICH IS BETTER?

Note: The President's Proposal to expand the child care tax credit will pay for only 2 to 3 weeks of child care. The Weller-McIntosh Marriage Tax Elimination Act, H.R. 2456, will allow married couples to pay for 3 months of child care.

Which is better, 3 weeks or 3 months?

CHILD CARE OPTIONS UNDER THE MARRIAGE TAX ELIMINATION ACT

	Average tax relief	Average weekly day care cost	Weeks day care
Marriage Tax Elimination Act	$1,400	$127	11
President's child care tax credit	358	127	2.8

AMERICAN PEOPLE HAVE BEEN THE BENEFICIARIES OF A BALANCED BUDGET

(Mr. ABERCROMBIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, I was privileged to be on the floor of the House of Representatives when the President's budget passed in 1993, that budget at the time denounced so severely by many critics of the President and what he was trying to accomplish.

I think, some 5 years later, we found that all of the goals have been in fact accomplished with respect to balancing the budget; and, most particularly, we find ourselves in a situation with low interest rates and the ability of people to take advantage of the home interest deduction they might not otherwise have had.

As a result, Mr. Speaker, I hope there is a recognition that this was the right course to take, that the American people have been the beneficiaries, that home ownership has been advanced, and that these 5 years provide a record of accomplishment of which we can all be proud.

Mr. Speaker, Today, many if not every Member of Congress is going to receive a visit by realtors from our districts.

I look forward to meeting today with the members of the Hawaii Association of Realtors on their annual trip to Washington.

I know one of their top priorities is preserving the home mortgage interest deduction. I stand with them completely on this issue.

As the House moves closer to developing a tax bill in the months ahead, it is vitally important that we preserve the mortgage interest deduction. It is fundamental of fulfilling the American dream of home ownership.

I am concerned that proposals for a flat tax or a national sales tax would endanger the mortgage interest deduction.

The mortgage interest deduction in important to Hawaii, where the average cost of a single family home is $312,000.

It is estimated that eliminating the mortgage interest deduction could cause the value of existing homes to drop between 20–30 percent.

As we in Hawaii face our greatest economic challenge since statehood, elimination of the mortgage interest deduction would be a disaster.

Homeowners would suffer a disastrous loss of equity. Thousands of realtors, construction workers, and employees of financial institutions would lose their livelihoods.

Mr. Speaker, I urge may colleagues to join me in fighting any attempt to eliminate the home mortgage deduction.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. LAHOOD). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REGARDING THE PRESIDENT'S TAX PARTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DELAY) is recognized for 5 minutes.

Mr. DELAY. Mr. Speaker, we would like to have gone into recess a few minutes ago, but the staff of the House has convinced me otherwise. But we wanted to go into recess to give time for our Democrat colleagues to go down to the White House so that they could celebrate.

And why are they celebrating? They are celebrating those Members of Congress who voted for the largest tax increase in the history of this country. We want to make sure they all were able to get down to the White House in a timely fashion. Included in that group are several former Members of Congress who lost because of that vote.

I am not kidding. This is not April Fool's Day. This is actually happening down at the White House as we speak. Do not worry, though. There will not be any Republicans invited to the White House tonight because not one Republican voted for the largest tax increase in history and so none of us got an invitation.

But down in my office right now we are having hot dogs and pizza to celebrate the fact that we voted for tax cuts last year. We are going to vote for tax cuts again this year. We are going to vote for tax cuts again next year. We will vote for tax cuts every year we are in the majority.

And we will continue to want to cut taxes for America's working families. Because we understand that over 50 percent of a family's income goes to the Government. If you add up State, local and Federal taxes and the cost of regulation, 50 cents out of every hard-earned dollar that the American family makes today goes to the government. No wonder our families are in strain. No wonder it takes one parent to work for the Government while the other parent works for the family.

But Democrats, on the other hand, love to raise taxes. One prominent Democrat admitted that Democrats just do not like to cut taxes, they like to raise taxes. They think cutting taxes is irresponsible.

□ 1945

They think raising taxes is responsible. Can we remember the debates of 1995 and 1996? Everybody said we cannot cut taxes and balance the budget; that is irrelevant, and it is crazy. Well, we did it last year. We cut taxes on the American family. We had the first balanced budget agreement in I do not know how many years.

But this is why they are usually responsible for increasing those taxes. Now, make no mistake about it, the Democrat budget not only increased taxes, it also increased spending and deepened the deficit. Now the Republican budget, the budget we passed in 1995, cut taxes and balanced the budget.

So the lesson here is very simple. If we want higher taxes and more Washington spending and higher deficits, then the American people need to vote for the Democrats. If we want lower taxes and a balanced budget and sensible government spending, then they should vote for the Republicans.

So I hope my friends are enjoying themselves down at the White House tonight. But their party's commitment to higher taxes is no party.

Mr. TAYLOR of Mississippi. Mr. Speaker, will my friend the gentleman from Texas yield?

Mr. DELAY. I will be glad to yield.

Mr. TAYLOR of Mississippi. Mr. Speaker, I am not going to argue with the gentleman on the tax increases, but it is misleading to the American people to say that this Congress has passed a balanced budget. They did not.

Mr. DELAY. Well, the gentleman reads a different budget.

Mr. TAYLOR of Mississippi. The budget plan that you passed——

Mr. DELAY. Mr. Speaker, I have the time, and I am reclaiming the time and I am going to answer the gentleman's statement.

Mr. TAYLOR of Mississippi. But, please, the American public needs to know we are not there yet.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Texas has the time.

Mr. DELAY. Mr. Speaker, the gentleman does not know what unified budgeting is. The gentleman obviously does not know. I agree with the gentleman that we have a huge surplus that we are spending on government spending. But if we take all the spending and all the tax revenues, then we are in surplus.

I want, as the gentleman wants, I am sure, I want to make it a true balanced budget by taking the Social Security surplus and not spend it on government spending. If the gentleman will work with me, I guarantee we will come up with a budget that will accomplish that. I think I have the credibility to do that.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extension of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. MORELLA) is recognized for 5 minutes.

(Mrs. MORELLA addressed the House. Her remarks will appear hereafter in the Extension of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON addressed the House. Her remarks will appear hereafter in the Extension of Remarks.)

PUT SOCIAL SECURITY FIRST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I think it is reasonable to carry on the discussion of what has happened in the last 5 years. I was elected, and my first year in Congress was 1993. In that year we had a deficit under the unified budget of $322 billion. In the next, that year for the budget for 1994, President Clinton sent us a budget with a deficit of $265 billion, a deficit in terms of a unified budget.

So it was not only on the $265 billion that we were short, it was also what we were short borrowing from the Social Security Trust Fund and the other trust funds of this country.

I think, number one, we have got to start being very honest with the American people of what has happened. When the Republicans took the majority of this House in 1995, we changed the budget and started rescissions and started cutting down spending, getting rid of one-third of the staff in this Congress, cutting out committees, cutting out up to 200 different agencies and departments and divisions to try to reach a balanced budget.

The Republicans really were demagogued in that election that eventually followed because we were doing all sorts of budget cuts, cutting down on the spending of the Federal Government in order to get a balanced budget.

We ended up winning. We ended up in the spring of 1996 sending a reconciliation bill to the President saying the