

years 1998 and 1999. (The Administration is already planning to conduct at least one of the studies.)

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act of 1985 specifies procedures for legislation affecting direct spending and receipts. The projected changes in direct

spending and receipts are shown in the following table for fiscal years 1998 through 2008. For purposes of enforcing pay-as-you-go procedures, however, only the effects in the current year, the budget year, and the succeeding four years are counted.

TABLE 3.—SUMMARY OF EFFECTS ON DIRECT SPENDING AND RECEIPTS

(By fiscal year, in millions of dollars)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	7	55	63	66	69	73	77	80	84	88	92
Changes in receipts	582	814	654	-663	-1,052	-1,328	-1,713	-1,908	-2,080	-2,269	NA

NA.—Not available (JCT has estimated revenue effects through 2007 only.)

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2676 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would allow the IRS to collect and remit (from overpayments) certain past-due income tax obligations owed to state governments and would authorize grants for low-income taxpayer clinics operated by institutions of higher education (public or private) and tax-exempt organizations.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

JCT has determined that H.R. 2676 contains five new private-sector mandates, as defined in UMRA. Title V of the act, Revenue Provisions, contains all five mandates. JCT estimates that the cost to the private sector to comply with the new mandates would be \$7.1 billion over the 1998-2003 period, which is equal to the increase in tax revenue from provisions that would impose the mandates.

First, the provision clarifying the deduction for deferred compensation is estimated by JCT to increase tax revenue by \$3.3 billion over fiscal years 1998 through 2003. Second, the act would change the carryback period and carryforward period for foreign tax credits, which is estimated to increase tax revenue by \$2.3 billion between 1998 and 2003. Third, H.R. 2676 would freeze the grandfathered status of stapled or paired-share real estate investment trusts (REITs). As a result of the proposed freeze, JCT estimates that tax revenue would increase by \$34 million over the 1998-2003 period. Fourth, the act would make certain trade receivables ineligible for mark-to-market treatment, which is estimated to increase tax revenue by \$1.4 billion over the six-year period. Finally, H.R. 2676 would add vaccines against rotavirus to the list of taxable vaccines, thus increasing tax revenue by an estimated \$15 million over fiscal years 1998 through 2003.

COMPARISON WITH OTHER ESTIMATES

The committee report filed on April 22, 1998, included an estimate by JCT that enacting H.R. 2676 would increase direct spending by \$409 million over the 1998-2002 period and by \$989 million over the 1998-2007 period. According to JCT, that estimate would result from enacting three provisions affecting taxpayer rights: (1) increasing by 1 percent the interest rate paid by the government to noncorporate taxpayers who overpay their taxes, (2) expanding the court's authority to award taxpayers costs and certain fees, and (3) adding or increasing civil damages for certain collection actions by the IRS.

By comparison, CBO estimates that enacting the three provisions would increase direct spending by \$260 million over the 1998-2002 period and by \$662 million over the 1998-2007 period. In total, CBO's estimate of the increase in direct spending is about \$150 million lower than JCT's over the 1998-2002 period and about \$330 million lower over the 1998-2007 period. The difference between JCT and CBO estimates results from three fac-

tors. First, according to JCT, part of its estimated increase in direct spending includes effects on revenues (about \$110 million over the 1998-2002 period and about \$220 million over the 1998-2007 period). Second, JCT and CBO have different estimates of the extent to which the provision expanding the court's authority to award taxpayers costs and certain fees would increase payments from the Claims and Judgment Fund. JCT estimates an additional \$55 million in such payments over the 1998-2002 period and about an additional \$150 million over the 1998-2007 period. Finally, JCT and CBO make different assumptions as to the taxes that would be affected by the provision increasing the rate of interest on overpayments. CBO assumes that the provision would apply to estate and gift tax overpayments in addition to individual income tax payments, which increased our estimate of direct spending by about \$20 million over the 1998-2002 period and by about \$40 million over the 1998-2007 period.

PREVIOUS CBO ESTIMATE

On October 31, 1997, CBO prepared a cost estimate for H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1997, as ordered reported by the House Committee on Ways and Means on October 22, 1997. For the House version of H.R. 2676, JCT estimated that the legislation would have no net effect on governmental receipts over the 1998-2002 period and would decrease them by \$2.9 billion over the 1998-2007 period.

The Senate version of H.R. 2676 includes several additional measures that would add to the government's revenues, but also includes a more extensive set of new and revised taxpayer rights. In total, JCT estimates that the Senate version would bring in about \$0.3 billion more in revenues over the 1998-2002 period, but would decrease governmental receipts by about \$6 billion more over the 1998-2007 period.

CBO estimated that enacting the House-reported version of H.R. 2676 would increase direct spending by \$5 million in fiscal year 1998, \$25 million over the 1998-2002 period, and \$50 million over the 1998-2007 period. CBO's estimate of the increase in direct spending for the Senate version of H.R. 2676 is higher, mostly because we reestimated and reclassified the budgetary effects of several provisions included by JCT as decreases in governmental receipts for the House version of H.R. 2676. Thus, the increase in direct spending estimated by CBO for the Senate version is more than offset by a corresponding reduction in JCT's estimate of reduced governmental receipts. The increase in the rate of interest on taxpayer overpayments is the main provision projected to cause an increase in direct spending in this estimate rather than a decrease in governmental receipts, as was reported for the House version.

In addition, the House version would have required that the Secretary make \$3 million in annual grants to low-income taxpayer clinics, whereas the Senate version would make such payments subject to appropria-

tion. Finally, this estimate reflects a slight, upward revision in the annual estimate of new payments from the Claims and Judgment Fund for penalties and civil damages. In total, our estimate for the Senate version of H.R. 2676 reflects an increase in direct spending over the 1998-2007 period that is about \$610 million higher than the estimate for the House version.

Estimate prepared by: Federal Costs: John R. Richter (226-2860); Impact on State, Local, and Tribal Governments: Marc Nicole (225-3220); and Impact on the Private Sector: Matthew Eyles (226-2649).

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

CHEBOYGAN RIGHT TO LIFE FIRST ANNUAL FUNDRAISING DINNER

• Mr. ABRAHAM. Mr. President, I rise today to recognize a very special event in the State of Michigan. Cheboygan Right To Life will host their first annual fundraising dinner to benefit the educational efforts of Right to Life Michigan on May 7, 1998.

An event like this one is very important for the pro-life movement. It reinforces the fact that at every level, we have people who value the sanctity of life working together. This is very encouraging. All who are involved with this event should be commended not only for their efforts in planning it but for their efforts in promoting this very important cause. I extend my best wishes for a successful event as well as my appreciation to Cheboygan Right To Life.●

1998 FRANK D. FITZGERALD LIFETIME ACHIEVEMENT AWARD HONOREE

• Mr. ABRAHAM. Mr. President, I rise today to acknowledge a good friend of mine. Ed Wyszynski is this year's recipient of the Frank D. Fitzgerald Lifetime Achievement Award. Ed has made tremendous contributions to the Michigan Republican party over the last thirty years. In 1968 he co-chaired the Nixon for President youth effort in Macomb county. From that point up until now, Ed has worked in presidential, senatorial, congressional and gubernatorial campaigns. In addition to his campaign activity, he has chaired four Lincoln Day dinners, been a county finance chairman, and has served on party executive committees for over 20 years. The Michigan Republican Party has recognized his efforts, three times naming him to its #1 Republican Club. Ed has relentlessly and

unselfishly contributed his time and efforts to the Republican party.

In addition to his work for the Republican party, Ed finds the time to be treasurer of the Eaton Area Habitat for Humanity's Board of Directors and member of the Board of the Detroit College of Law National Alumni Association. Ed lives in Grand Ledge, Michigan with his wife Kay and their son James.

I want to commend Ed for all of his service to the Republican Party and for all of his other contributions. I also want to congratulate him on winning this year's Frank D. Fitzgerald Lifetime Achievement Award. He should be very proud of this accomplishment.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Anne Feygina for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Anne's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Neil Kulkarni for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We

will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Neil's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Scott Borger for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Scott's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Nikhil Patel for his service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Nikhil's contribution to our

effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Mandy Piper for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Mandy's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Bethany Cooper for her service as an intern in my office during the Spring of 1998.

Since I was elected in 1994, my staff and I have made a pledge of service, commitment, and dedication. We dedicate ourselves to principled public policy. We believe that Americans are endowed by their Creator with certain unalienable Rights, and among these are life, liberty, and the pursuit of happiness. The power we exercise is granted by Missourians and the American people; we serve to secure their rights. We also dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty. We will work with energy and spirit. We will represent the American people with loyalty and integrity. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

It is with much appreciation that I recognize Bethany's contribution to our effort to fulfill this pledge and to serve all people by whose consent we govern.●

IN APPRECIATION OF SERVICE

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to Gavin