□ 1224

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2646, EDUCATION SAVINGS AND SCHOOL EXCELLENCE ACT OF 1998

The SPEAKER pro tempore. The pending business is the question de novo on the passage of House Resolution 471.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Washington. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 228, noes 191, not voting 14, as follows:

[Roll No. 236]

AYES—228

Aderholt
Archer
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McKinney
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOES—191

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Gutierrez
Hall (OH)
Hamilton
Harman
Hilliard
Hinchey
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
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—14

Armey
Gilchrest
Gonzalez
Green
Hastings (FL)
Hefner
Hilleary
Johnson, Sam
Lewis (CA)
McNulty
Ney
Ortiz
Peterson (PA)
Vento

□ 1233

Mr. MORAN of Virginia changed his vote from ''aye'' to ''no''.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider is laid on the table.

THE JOURNAL

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

TAX CODE TERMINATION ACT

Mr. BUNNING. Mr. Speaker, pursuant to House Resolution 472, I call up the bill (H.R. 3097) to terminate the Internal Revenue Code of 1986, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The bill is considered read for amendment.

The text of H.R. 3097 is as follows:

H.R. 3097

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Tax Code Termination Act''.

SEC. 2. TERMINATION OF INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—No tax shall be imposed by the Internal Revenue Code of 1986—

(1) for any taxable year beginning after December 31, 2001, and

(2) in the case of any tax not imposed on the basis of a taxable year, on any taxable event or for any period after December 31, 2001.

(b) EXCEPTION.—Subsection (a) shall not apply to taxes imposed by—

(1) chapter 2 of such Code (relating to tax on self-employment income),

(2) chapter 21 of such Code (relating to Federal Insurance Contributions Act), and

(3) chapter 22 of such Code (relating to Railroad Retirement Tax Act).

SEC. 3. NEW FEDERAL TAX SYSTEM.

(a) STRUCTURE.—The Congress hereby declares that any new Federal tax system should be a simple and fair system that—

(1) applies a low rate to all Americans,

(2) provides tax relief for working Americans,

(3) protects the rights of taxpayers and reduces tax collection abuses,

(4) eliminates the bias against savings and investment,

(5) promotes economic growth and job creation, and

(6) does not penalize marriage or families.

(b) TIMING OF IMPLEMENTATION.—In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by Congress in its final form no later than July 4, 2001.

The SPEAKER pro tempore. Pursuant to House Resolution 472, the amendment in the nature of a substitute printed in House Report 105–580 is adopted.

The text of the amendment in the nature of a substitute is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Tax Code Termination Act''.

SEC. 2. TERMINATION OF INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—No tax shall be imposed by the Internal Revenue Code of 1986—

(1) for any taxable year beginning after December 31, 2002, and

(2) in the case of any tax not imposed on the basis of a taxable year, on any taxable event or for any period after December 31, 2002.

(b) EXCEPTION.—Subsection (a) shall not apply to taxes imposed by—

(1) chapter 2 of such Code (relating to tax on self-employment income),

(2) chapter 21 of such Code (relating to Federal Insurance Contributions Act), and

(3) chapter 22 of such Code (relating to Railroad Retirement Tax Act).

SEC. 3. NEW FEDERAL TAX SYSTEM.

(a) STRUCTURE.—The Congress hereby declares that any new Federal tax system should be a simple and fair system that—

(1) applies a low rate to all Americans,

(2) provides tax relief for working Americans,

(3) protects the rights of taxpayers and reduces tax collection abuses,

(4) eliminates the bias against savings and investment,

(5) promotes economic growth and job creation, and

(6) does not penalize marriage or families.

(b) TIMING OF IMPLEMENTATION.—In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by Congress in its final form no later than July 4, 2002.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. BUNNING) and the gentleman from New York (Mr. RANGEL) each will control 1 hour.

The Chair recognizes the gentleman from Kentucky (Mr. BUNNING).

GENERAL LEAVE

Mr. BUNNING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 3097.

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

There was no objection.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume to open the debate on this bill.

Mr. Speaker, the Federal income tax system is broken beyond repair. We cannot tinker with it any longer and make it work any better. We need to wholesale reform and totally overhaul the system.

There are two basic elements that are absolutely necessary for a Federal tax system. It must be understandable, and it must be fair. As it now stands, our Federal income tax fails badly on both counts.

Our Tax Code has become so complex that no one can understand it. When tax experts cannot agree on how much an American taxpayer owes, how can we expect the average taxpayer to understand it?

This complexity is expensive. It costs over $300 billion a year for taxpayers to comply with the Tax Code. That is money that is totally wasted. It does not benefit government or increase funding for essential services. It does not benefit the private sector or create investment, develop jobs, or improve the quality of life. It is just money down the drain. It is a crime.

Our Tax Code is unfair. We have focused a great deal of attention this year on the marriage penalty, but this is just one of hundreds of inequities in the existing law.

Over the years, Congress has created a hodgepodge of loopholes and arcane tax incentives, most of which were well-intentioned. But when you take them altogether and weed them into a 5½ million word tax code, it creates such a mess that only the very wealthy have the ability to take advantage of them. That creates unfairness. As a result, the American people have lost confidence in their tax system.

Incremental change is not enough. We have tried that. It has resulted in failure and more complexity. We need real reform, a total overhaul of the Tax Code. We need to restore that confidence.

That is what this bill is all about. It simply says that the sun will set on the Internal Revenue Code as we know it on December 31, 2002. It gives Congress 3 years to debate and develop a new tax system.

It would simply force Congress to do in a timely manner what we need, no, what needs to be done, to pull the Federal income tax code out by its roots and replace it with an income tax system that is fair and understandable. This bill will help us do that. I urge my colleagues to support and vote for H.R. 3097.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself as much time as I may consume.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, this is a historic moment in the history because of our Congress, because I do not think that we will ever live to see a more irresponsible act committed by any Member of Congress.

I know that this is an election year and so some leeway has to be given to the majority because, unfortunately, there is no institutional memory of them having passed any legislation this year. Being a politician myself, I can understand how they would like to capture the voters' imagination by doing something dramatic.

But just to abolish the Tax Code, just to say that, by the year 2002, no tax shall be imposed by the Internal Revenue code, what a gift to give the American people. You will not have to pay any taxes until the Republicans, and do not laugh, until the Republican majority comes up with an idea as to how they are going to replace it.

Let us think this one out. Who has been in charge for the last 3 years? Who had the majority? Who had the opportunity, really, to substitute this complex mess that they talk about? But rather than to come together, as if that is possible, with some type of a meaningful, fair tax code that would increase economic productivity for our great Nation and to continue to propel the prosperity that President Clinton has brought to us, they would rather just pull up the Tax Code by the roots.

I assume that, while they are pulling it up by the roots, that this 800 pages of what they call a tax bill last year is mere fertilizer for the Tax Code that they are going to bring to us. Where are these great ideas that you have?

Should the American people not have some idea as to where do you meet to come up with a new code? Years ago, Members would go to the Committee on Ways and Means. Now we go to the Committee on Rules. We have people just telling us what they are going to end, but no one is there to tell us what they are going to start.

I have served on the Committee on Ways and Means for two decades. Every year, we had a tax bill; some good, some bad. For the last 3 years, we have not had anything that is coming up that is new.

I want the Republicans to understand this, if they do not understand anything at all, they are in charge. They have a majority. They have the ability to call their troops together and vote for anything that they want, whether it is good or, in most cases, bad. But for God's sake, just with all due intention I did not bring the Bible, so I did not mean to say that, but for goodness sake, do not end something unless you tell the American people what do you intend to replace it with.

We have business people that are planning now for the future. I would want them to call their Congressman, but since this issue is not being dealt with with the Congress, and since we do not know where the Tax Code is going to come from, and since the Committee on Ways and Means has lost jurisdiction, whoever meets with the Speaker should know what he is going to come up with.

I would say, if people are planning for the future, whether they are going to have bonds out there, whether the States are going to have municipal bonds, where people want to know how to plan, call the Speaker, because I think he has some good ideas that he will not share with us.

Second, if you are a hospital, church, synagogue, charitable organization, there is nothing in this bill that terminates that says you are going to be protected. I know the Republicans are going to protect them, so do not be afraid, but ask them how are they going to be protected.

If we own a home and we have mortgage payments and we have been deducting them, we can deduct until the year 2000, and then we do not have to deduct anymore.

□ 1245

Now, I do not know what happens, but we can call the Speaker and he will tell us what plans he has for mortgage deductions. And I tell my colleagues that, as complicated as this bill is, as bad as the Republican passed tax bill is, at least we know what we got. The fear is what are they going to come up with when for 3 years they have not even come up with a good idea.

So I do hope that in the course of this debate that someone would come up with some kind of a plan that would give us some idea as to what they are going to fill this vacuum with. But I think killing the IRS, pulling it up by the roots, that the American people deserve better than just a bumper sticker.

And if people do not like paying taxes and they think this is the solution, then I beg the Democrats in the minority, if they can just pass a law to keep us from paying taxes, why can we not pass a law to stop people from paying their debts? Why not? And if we do not like that, let us pass a law to terminate cancer. Let us think of something more exciting than our irresponsible brothers and sisters over here, and we will just say that if anyone votes against it, it means they support cancer; if they vote against it, they support paying back debts.

I am ashamed that this is happening in the House, but I know the United States Chamber of Commerce and the local Chambers of Commerce around this country will study this termination bill and I hope we hear from them much before the election.

Mr. Speaker, I reserve the balance of my time.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. LARGENT), one of the authors of the bill, to respond.

Mr. LARGENT. Mr. Speaker, the previous speaker got one thing right, this is an historic moment. Understand, no one likes to be forced to do anything. My children do not like to be forced to make their bed and Congress certainly does not like to be forced to do anything. This bill simply does that, it forces Congress to quit talking about comprehensive tax reform and actually do something about it.

And I would suggest to the previous speaker that maybe the reason he is in the minority and not in control is because it was his side that gave us this, the 6,200 pages that we currently know as the tax forms and instructions about how to file our tax returns today.

And the gentleman is also right about another thing. The way it has always been done before is to go to the Committee on Ways and Means, in a small room in the back, and a few people decide about what the Tax Code should look like for the American people. What we are trying to do is to include all of the American people in the debate and in the discussion and in coming up with a comprehensive tax reform that is written not by a few people on the Committee on Ways and Means but is a consensus opinion of the American people and the business people in the communities around the country, the people that are suffering through 5.4 billion hours filing their tax return every year at a cost of somewhere over $200 billion just simply to comply with the current Tax Code.

So the gentleman is right, we are trying to do it differently, we are trying to make sure it does not happen in the Speaker's room or in the Committee on Ways and Means but in the living rooms of the American people in this country, where they have a voice in the way their government writes a new comprehensive tax law.

Mr. RANGEL. Mr. Speaker, I yield myself 1 minute to say to the distinguished gentleman that he keeps referring to that pile there as being something that has been put together by the Democrats. When we had a debate on the rule, I thought he said that this 800 pound tax document was passed by the Republican majority and he voted for it. So I would be glad to go over there and just put this on that pile.

The second thing is that, we do not have to be another tax expert to know that the Congress should not be having to be forced to do anything. The majority should not have to force themselves to be responsible. All they have to do is take their consensus from the people and pass a decent, respectable, fair and equitable progressive tax bill. They should not force themselves to do it; just do the right thing.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me this time.

We have talked today about the asininity of this bill, the sheer folly, the sophomoric sort of approach. I guess I would remind the people that it is the Republicans that shut down the government several times because they were unable to come up with a budget. I would challenge any Republican who has an idea, much less an idea of what they would do just in the oft chance they fail to come up with a bill.

And even if they were to come up with a bill, they are not telling us what happens, say, in health care, an issue which they postulate a good bit about and posture about. The Armey flat tax bill, which they might choose, imposes tax penalties on employers that provide health care benefits to their employees. The Tauzin retail sales tax bill imposes a sales tax on people when they pay for health insurance and health care. I wonder if that is what they intend to do.

The Republicans voted to increase the rate at which self-employed people could deduct their health care. This will end that. I presume that they really do not care, as they have not in the past, about providing health care to the 45 million uninsured. I am sure that they do not want to help employers pay for it, because I think they are indifferent.

I am not sure that anyplace in the King James version of the Bible it suggests that employers should pay for health care benefits or that we should insure people. Therefore, some Republicans will tend to ignore the suffering that people have for lack of health care. The basic fact is that this is sheer irresponsibility, obviously drafted by people with no understanding of business or the Tax Code or economics, some things that are important to having the country's economy function.

One of the things that many of my colleagues on the Republican side have been very assertive of is States rights. But what they do not understand is that this would also destroy many States' ability to raise any revenue. Many States that have an income tax parallel or mirror the Internal Revenue Code. And if in fact, as their bill suggests, we would stop collecting funds in the year 2002, we would, therefore, put these States out of business. And we would not have, obviously, any Federal money to support them. So they are impacting many States. The unintended consequences of this bill are legion.

So that I want to remind my friends and colleagues that no one suggests that we should not reform the Tax Code. The last major reform was led by Ronald Reagan, at his insistence. Much of what is stacked over on that table was Ronald Reagan's suggestion, which we passed. And it was not a bad bill, I might add. Now, we have no bill and we have a nonsensical campaign bumper sticker, and I hope we vote it down and do not see this kind of embarrassing legislation brought again.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, after serving on the House Committee on Ways and Means for the past 3½ years, I am continuing to be amazed by the outrageous provisions that are involved in our current income Tax Code. In no small part, many of these provisions that are a function of the Tax Code have spiraled out of control. The irony is that while our Tax Code has just about 7 million words, it lacks two regular words, and those words, Mr. Speaker, are common sense.

The current income tax system is far too complex and it is a source of utter frustration for millions of hardworking Americans and for their families. Over the past few years I have heard from thousands of constituents in my district alone and they have talked to me about hundreds of problems they have experienced with the system of taxation. A common theme, as we all know, has been the intrusive nature of the Internal Revenue Service. I believe it is time for this issue to be brought out of America's kitchen and on to the committee calendars of the Congress.

Money magazine last year reported that not one of 45 professional tax preparers could accurately compute a hypothetical family's tax return. Fewer than one in four came within even $1,000 of the correct figure. How can we expect average citizens to comply with a code when licensed professionals, who have spent years studying the system, cannot even get it right.

Not only this, but the cost of compliance for the average family is horrendous. Each year Americans devote 8 to 10 billion hours complying with our Tax Code. This amounts to over 5 million Americans working all year long, the equivalent of the entire work force of my State, Washington State, of Iowa and Maine. The cost of complying totals about $200 billion annually, or $700 for each, man, woman and child in America.

These are just the numbers associated with following the law. The income tax system involves a number of other costs, including those associated with enforcement and collection, as well as the cost of tax litigation.

Sunsetting the code will work. President Clinton described this plan as reckless or irresponsible. Actually, as the President should know, it is common practice. Major Federal Government programs, such as spending on highways, education and agriculture, regularly expire and are rewritten in 5-year increments. This is a strategy also used by the States, who understand that change will not occur unless they break through the gridlock. This is exactly how this legislation to sunset the Tax Code will work.

There is a national debate going on outside the Congress, Mr. Speaker, on the direction of the Tax Code. We have a terrific opportunity here today to improve the Federal system of corporate and personal income taxation in a manner that will both significantly improve the economic performance of our Nation and substantially reduce the compliance and administrative burden on American families. By scrapping this code, we will bring this debate into focus and force ourselves to discuss this issue. I urge its support.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, it is really hard to come down here and be serious about this kind of thing. No one likes to pay taxes, no one likes to have to sit down once a year and send money to the government to run it, but what we have today, in an effort to tap voter discontent by the Republicans, is a cheap campaign prop. This is a bumper strip we are doing today, that is why it is only about two sentences long.

In order to take this seriously, we have to go back to a satirist who used to write for the Baltimore Sun by the name of H. L. Mencken. H. L. Mencken called the American public ''Boobis Americanus''. That is, they are all stupid. Now, in order for my colleagues to come with a bill like this, they have to think the American people are stupid; that they simply do not know what is going on. If we say to the American people that right now we spend $1,200,000,000 and we are going to wipe all that out and we are going to get it from somewhere else; now, where are they going to get it from? The moon? Or from somebody else? This sounds like a bill based on the Senator Long theory of, ''Don't tax you, don't tax me, tax that guy behind a tree.''

The American public knows there has to be a Tax Code if we are going to have the kinds of goods and services that we want in this country: Social Security, Medicare, highways, national defense. My colleagues are not going to get rid of the money. They simply are creating the illusion for people that they will come up with a Tax Code that will not tax them, it will tax somebody else.

Well, how stupid do my colleagues think the American people really are? They know that their deduction for their interest on their house they get now. My colleagues are not guaranteeing them anything on their house. My colleagues are not guaranteeing that their employer can deduct paying for health care for them. The average employer today, if he spends $100 on health insurance, actually costs him $65. If we repeal the code, it costs $120.

Now, I know my colleagues will say, oh, we are going to take care of that. Well, if my colleagues are going to take care of it, why do they not put a proposal out here to simply say that they are going to wipe out the code and come back some day, some uncertain time?

The gentleman from California (Mr. STARK) raised another issue which my colleagues really are not thinking about. The Republicans are creating chaos in this country, in the business community planning. No businessman can plan 3 years out.

□ 1300

The problem with us is we plan 2 years out. Business plans 5, 10, 20. They want chaos. This is a bad piece of legislation.

Seeking to tap into voter discontent about the complexity of the tax code, the Republican leadership today is disregarding the major issues confronting our nation in order to turn the House Floor into a cheap campaign prop. So while this bunch wastes your tax dollars by ranting, raving and campaigning about how they want to ''rip the tax code up by its roots''—without having any idea what tax system they want to replace it with—I am going to talk about what impact this rhetoric will have on real people. In particular, what this extremist legislation will mean to the ability of Americans to purchase affordable health care.

Before I begin, it is important to note that the same people in the Republican majority currently peddling this ''scrap the code'' rhetoric, just last fall voted to add hundreds of new pages to the tax code and a myriad of new complex tax computations. Because of last year's tax law, this bunch added 35 new lines alone to taxpayers capital gains tax forms. So, keep that in mind that when you hear this bunch talk about tax simplicity—they are the ones who 6 months ago made the tax system a whole lot more complex.

Most disturbing in their ''scrap the code'' rhetoric is the proposal to establish a rhetorically pleasing, yet critically flawed ''flat tax.'' This plan is often criticized because of its substantial revenue losses, its unfair redistribution of the tax burden, and its elimination of subsidies for home ownership.

This push for the flat tax may help Republicans at the polls, but for the millions of American workers who need affordable health insurance, the flat tax is disastrous. While not necessarily ''news'' to the 42 million uninsured and the 29 million more who are underinsured in this country, there is no question that the group of workers and early retirees who will get hurt by the flat tax are the same ones who are currently being threatened by rising health costs in this country.

A recent study by the National Coalition for Health Care found that between 1985 and 1997, the cost of health care doubled and it is expected to double again in the next decade. Next year alone, health premiums are estimated to rise between 5 and 10 percent—a rate at least twice that of the increase in benefits and wages. The number of uninsured in this country will exceed 42 million next year and by 2005, it is estimated that one in five Americans under the age of 65 will be without health insurance.

The impact passage of the flat tax will have on worker's health insurance would be devastating. Under current law, there are substantial income tax incentives for employer-provided health benefits, with additional tax-benefits available to the self-employed who purchase health insurance. Employer-provided health benefits are exempt from income tax, Social Security, and Medicare employment taxes. For example, under the current system, the after-tax cost to an employer that provides $100 in health benefits to their employees is $65. Yet, the flat-tax plan destroys this health insurance incentive by increasing the employer's after-tax cost to $120.

Under the flat tax's domestic business tax, amounts paid for non-cash fringe benefits, such as health care, are not deductible. As a result, the plan would impose an onerous tax penalty on employers providing health benefits. This legislation goes a step further by including a new tax on tax-exempt charitable organizations and Federal, State, and local governments equal to 20 percent of the amount paid for health benefits for their workers.

Health benefits to retired workers will also decline. Many companies have large and burdensome liabilities for retiree health benefits and in recent years, those same companies have tried to limit benefits.

The likely response from employers to the flat tax's tax penalties will be a significant reduction in health care benefits available to its current, future, and retired workers. Just last year, MIT economist James Poterba warned that ending the tax preference for employers who provide health insurance would cause the number of American families without health insurance to increase by 20 percent!

In fact, such a decline in employer-provided health benefits should not surprise anyone familiar with the history of the flat tax.

When the Kemp Commission first proposed adoption of the flat tax, even the Health Insurance Association of America—the same group that spent millions of dollars to kill expansion of health care coverage in 1994 and is on the verge of spending millions more to kill managed care safeguards—warned ''one of the unintended consequences of eliminating the exclusion for health insurance premiums is likely to be a rapid increase in the number of people without private health insurance coverage.''

If you want to terminate the tax code, it is vital that you understand the ramifications of each remedy. There's no question that ripping away crucial tax incentives will increase the cost of health care in this country.

I find it amazing that instead of finding ways to improve the quality, affordability, and availably of health insurance, the Majority is using its control of Congress to make America's health care problems worse.

Before you jump on the ''scrap the code'' bandwagon, think, for a second, abut what this legislation will mean to the affordability of health car for America's workers, their families, and their employers. Unfortunately, it's clear form this debate that all this bunch is interested in doing is devaluing the legislative process of our democracy in order to create a simplistic bumper-sticker slogan in time for November's elections.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, our tax system hangs like an albatross around the neck of the American taxpayer, stifling savings and productive investment, and arbitrarily punishing or subsidizing activity and making the process of paying taxes nightmarishly complex even for those of modest means.

In my view, the time has come to replace our current tax system. But we will never do it unless we overcome the inertia of the legislative process, unless we override the influence of the entrenched special interests who have a stake in the complexity of the Tax Code and who savor gridlock on this issue, and unless and until we force the issue and put everyone's feet to the fire.

We propose to do that today. I rise in strong support of the Tax Code Termination Act, legislation that will finally give American taxpayers a solid time line for fundamental tax reform.

Mr. Speaker, I have been a strong advocate of replacing our current Tax Code with a system that is fairer, radically simpler, eliminates the bias against savings, and will allow the U.S. to be more competitive internationally. I am prepared to accept the challenge of the gentleman from California to put forward my proposal this year. But replacing the Tax Code will be an enormous undertaking, and the time line for consideration should not be put off one more day.

I challenge my colleagues, if they do not believe we can replace the current Tax Code with something simpler and fairer that will meet the needs of the American public, then vote against this bill. If they feel that any tax reform inevitably is going to be an improvement, as I do, vote for this legislation and put our feet to the fire.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I rise in opposition to the current Tax Code and in support of comprehensive reform of our Federal tax system.

I, too, agree that our Federal tax system is too complex, it is not efficient, it costs our taxpayers too much to comply with it, it is not sensitive for savings, we rely too much on income taxes. But the legislation before us is one of the strangest notions I have encountered in the 12 years I have served in this body.

The bill is a result of frustration in our current tax structure, and it tells a Congress in the future to do something about it. We have had 4 years under Republican leadership to try to do something about our Tax Code. In this term, I thought we were going to do something.

Last year, in a bipartisan way, we joined Democrats and Republicans to reform the Internal Revenue Service. We thought that bill would pass last year. It is still lingering within a conference committee. If we want to do something, why are we not using the time today to at least reform the IRS and deal with the tax collecting agency? But instead, no, we are debating some myth about what we are going to do in the future. It is outrageous.

It is not even a fig leaf. We have not had a hearing on this proposal. We do not know what it is all about. Why are we not debating specific proposals on this floor?

Mr. Speaker, yesterday in the Baltimore Sun, my local paper, I authored an article about why I thought a VAT tax is better than a flat tax and why we do not need a corporate income tax and we should be encouraging more savings. Why are we not having that proposal on the floor today and debating? Why is the Republican leadership not giving the American public real reform rather than bringing up a hope of what is going to happen 4 years from now, causing all types of panic about people trying to plan for their futures.

People are trying to figure out how to save for their retirement. They want to know what the tax rules are going to be. And we are going to tell them, we are going to change them, but we are not going to tell them what it is going to be? How irresponsible. How wrong.

Use the time we have. This schedule this year has been embarrassing. We have not been here most of the time. Why are we not using the time this year to have a serious debate on tax reform rather than bringing up this sham?

It is wrong. They know it is wrong. This is not the right way to go. I urge my colleagues to defeat the bill.

Mr. Speaker, I rise in opposition to the current tax code, and in support of a real debate on comprehensive reform of the federal tax system.

The legislation before us is one of the strangest notions I have encountered in the twelve years I have served in this House. The bill is the result of frustration with the current tax system. Normally, when members of Congress seek to change existing law, they introduce legislation to make the changes they support.

But this bill doesn't do that. We are here, in the 105th Congress, debating a bill that says that the tax code is such a mess that the 107th Congress should do something about it.

That's not a serious proposal for simplifying the tax code. Instead of real tax reform, it is just an empty promise.

Yesterday, the op-ed page of the Baltimore Sun, my home town newspaper, printed my article titled ''Why a VAT tax is better than a flat tax.''

The article presented my view that we should replace the existing tax code with a broad-based consumption tax, and relieve 75 million Americans of the burden of the individual income tax. I support repeal of the corporate income tax. Some members of the House will agree with my position; others will disagree.

We should begin this debate now, rather than putting it off until the year 2002. We need to reform the tax code, and when we have done our jobs, and written a tax code that does not punish the American people, I will be proud to join in voting to sunset the existing code. Until then, Mr. Speaker, this process is nothing but talk.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, we have had hearings, and 2½ years ought to be long enough for the people of the United States to speak and determine what tax they want.

The current Tax Code is complex, confusing, corrupt, costly, coercive, and a lot of other Cs that I cannot think of. But so far there is a lot of talk and no action. When it comes to tax reform, a sunset date will force us to take action and relieve the American taxpayer.

We ought to also repeal the 16th Amendment of the Constitution, and I have introduced a bill to do such a thing, the Tax Freedom Act. It outlaws Congress' ability to collect taxes on income except in time of war. Both these bills accomplish one common goal. No matter whether you support a flat tax, consumption tax, value-added tax, national sales tax, blue, black, brown, whatever, the common goal is replacing the current complicated Tax Code.

Fundamental and comprehensive tax reform will be one of the most profound changes this Nation experiences this century. The Tax Code Termination Act brings us one step closer to achieving that change and restoring freedom to the American taxpayer.

Americans want, need, and deserve to get rid of IRS oppression. We have been

talking about tax reform for years. Mr. Speaker, it is time to quit talking and start action, and this bill does just that.

Mr. RANGEL. Mr. Speaker, I am reminded that when Dr. Frankenstein created his monster, he went immediately to trying to get rid of it. And, so, as the Republicans pass this tax bill, this is the same bill they want to pull up and pull up by the roots.

Gentlemen, it is your bill. Do with it what you want.

Mr. Speaker, I yield 3½ minutes to the gentlewoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in strong opposition to this legislation to terminate the Internal Revenue Code without replacing it with a system that is fairer, that is simpler, and encourages economic growth.

I come from a State, a small State, Connecticut. But in that State, we have 18 of the Fortune 500 companies. Now, I can just imagine a conversation between a CEO and a board of directors when they hear that this bill is passed, because he or she would have to explain to the respective boards of directors how millions, and in some cases billions, in assets will disappear from their corporate balance sheets because of this legislation.

The chief financial officer will have to explain there is nothing that can be done to prevent this because the Congress passed a bill to eliminate the Code and did not replace it with anything. And as a result of this bill, excess foreign tax credits would disappear, reducing the company's net worth.

As we all know, foreign tax credits are carried as assets in today's corporate balance sheets. As a result of this bill, the corporate alternative minimum tax credit carried forward would disappear, reducing the company's net worth. Of course, as we know, the corporate alternative minimum tax credits are carried as assets on today's balance sheets.

And as a result of this bill, research and experimentation credits would disappear, because as we know, R&E credits are carried as assets and those would just go away.

As a result of this bill, deferred tax assets representing retiree health obligations would disappear, reducing the company's net worth. Not to mention providing retiree health benefits would then disappear because they could not write them off.

The Financial Standards Accounting Board happens to require companies to charge retiree health obligations against current earnings. Retiree health obligations are deductible when actually paid. These deductions carried on today's corporate balance sheets are deferred tax assets. They would disappear.

And as a result of this bill, operating loss carried forward would disappear, reducing the company's net worth. Net operating loss carried forward are carried as assets on today's corporate balance sheets.

Unfortunately, many of these CEOs are going to find themselves explaining more than one of these things. In a few cases, the loss of the impact on these changes on the balance sheets could result in a profitable company losing all their positive net worth. Because this is the fact of the Code as it exists today, and if we do not replace it with something, all these things happen.

I thought the majority in this Congress was opposed to takings. But, as I read this list, I guess not. But it gets worse.

While the CEO needs to explain to the board that the business plan is no longer operative, the small businessman finds he is facing the same problem. A businessman or businesswoman would have to realize the rate of return on capital can no longer be projected.

She has no idea how the company should calculate labor costs. She has no idea how to determine the most efficient financing mechanism for the new building that they will have purchased. They have no idea of the period over which the new equipment could be depreciated. I wonder how many CEOs would lose their jobs or how many small businesses would go out of business.

It is because of these concerns, very real concerns, and I have been on the Committee on Ways and Means for now 13 years, that the National Association of Manufacturers are opposed to this bill.

The Internal Revenue Code is far from perfect. We all know it. But if we are going to eliminate it, replace it with something that is simpler, fairer, and encourages economic growth. That is all we ask today. Do the whole job, not just half of it.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. DAN SCHAEFER).

(Mr. DAN SCHAEFER of Colorado asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. DAN SCHAEFER of Colorado. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, if we would listen to the gentlewoman from Connecticut (Mrs. KENNELLY), who just spoke, what we would have to believe is that the business world did not exist prior to the invention of the Internal Revenue Tax Code; that corporations offer health care only because they get a tax deduction; without the tax deduction, there would be no compassion on the part of the owner to the worker; and that all of the complications that a CEO would have to deal with, in fact jeopardizing their job, are essential to running a business.

What in the world did business do before there was an Internal Revenue Service?

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, during my 15 years here in the House, literally thousands of taxpayers have contacted me to express their frustration with the current code that we have.

The Tax Code is so complicated that even those who call themselves tax experts cannot figure it out. Let me give my colleagues a good example.

Last November, Money Magazine gave 45 accountants nationwide a financial profile of a fictional family and asked them to prepare a hypothetical tax return. Not only did all 45 come up with different answers, but the computed tax liability ranged from $36,000 to $94,000.

No one knows whether they are illegal or not illegal anymore when they file their returns. Today, the average family pays more in taxes than it spends on food, clothing, and shelter combined. As a whole, Americans will spend at least $200 billion and over $5 billion complying with the income tax this year alone. This is more time than it takes to produce every car, truck, and van in the United States each year.

Tracking all this paperwork requires the Internal Revenue Service, five times larger than the Federal Bureau of Investigation. And unlike the FBI, the IRS's power is nearly absolute. It may search our property and records without a court order. And although both the House and Senate have overwhelmingly passed substantial IRS reform bills, I do not believe that that alone will prove successful.

Over the past several years, I have talked to audiences nationwide about the case of replacing the Federal income tax with a national sales tax. Two years ago we introduced the National Retail Tax Act of 1996, and just last year reintroduced it again in H.R. 2001. This legislation is going to abolish the IRS completely, eliminate corporate taxes, gift taxes, capital gains tax, inheritance taxes, gift taxes, and all excise taxes unless they are tied to a trust fund.

I think this is the way to do it. Let us for once take the power of taxation away from Congress, give it to the American people, and let then decide. And once and for all, let us eliminate 8,000-plus pages in the Tax Code and replace it with a Tax Code that is going to say April 15 is another bright, spring day.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Speaker, I rise today to urge a no vote on the bill, but to first indicate that I have voted for IRS reform that we are still waiting to pass this Congress. I support real tax reform. And I would even support a deadline if there were alternatives proposed by the other side, by the majority, that were good for hard-working men and women in my district.

□ 1315

Mr. Speaker, before coming to Congress, I served for 16 years on the tax and finance committees in the Michigan legislature. I supported and sponsored numerous tax cut bills. But in

each case, they were making things better for the middle-class families, family farmers and small business people that I represented. Unfortunately in this case, the alternatives proposed by the majority are even worse, even more unfair than the current system. For instance, a national retail sales tax, which is also a use tax on professionals and entrepreneurs, would, according to the tax analysts, raise the cost of buying goods and services something close to 30 percent when all is figured. Houses, cars, food, prescription drugs for our senior citizens, on and on. Insurance premiums. It goes on and on. In addition to that, it would tax doctor's visits. It would tax accountant's visits. It would create a situation where every small business person and entrepreneur in my district, every professional, would have to become a tax collector. I do not call that better than what we have right now. Let us really fix it and really do something that is better by proposing a real alternative. In addition, the flat taxes that have been proposed by the other side just shift from wealthy individuals to the middle-class families in my district.

Mr. Speaker, I want to see something simpler. I want to see reform. But let us do it in a way that does not involve the proposals coming from the other side which are not good certainly for the people that I represent in Michigan.

I would urge a ''no'' vote on the bill. I would urge my colleagues instead to do what we did last year. Let us join together in a bipartisan way. We passed a balanced budget amendment. We passed tax cuts last year. Let us join together and create real reform for the real hard-working families, middle-class Americans that deserve the relief in this country.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Speaker, I rise today in support of the Tax Code Termination Act. I have been in favor of scrapping this code and starting over for a long time. I am one of the few Members of this body that is a certified public accountant that has actually done tax returns for a living and have lived with this code for a long time.

This Congress, under both parties, has contributed to this problem. The people on my side of the aisle might have a good point. I say to them that if they do not like this method of trying to get at this problem, then put something else forward.

I think it makes sense for us to come up with a date certain. We did that when we balanced the budget and it helped us focus our attention. We have a date certain on when we are going to overhaul this Tax Code. I think it helps us. But, as I have said, I have been for reforming this system ever since 1986 when, under the guise of tax simplification, we passed a bill which I think was arguably the worst piece of legislation that has ever been passed in this Congress. We made it worse in 1990, and we made it worse last year when they passed the 1997 tax act to the point where my partner, who is still doing tax returns, told me this weekend that this is so complicated that he does not think he can any longer do a tax return by hand. The only way he can do a tax return is if he has a computer to be able to make all these computations and go back and forth.

Mr. Speaker, this code has gotten completely out of hand. It needs to be simplified. It is not happening under the current process. I am not sure this is the best process in the world but it is the only thing we have in front of us today. I am in favor of overhauling the code. I think the way we do that is we start from scratch, with a clean slate, and then try to build up something that is simpler and makes more sense. I support this bill and encourage everybody's support.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, I rise in strong opposition to the proposal today; however, I do support simplifying the Tax Code.

Mr. Speaker, what we are involved in this afternoon is a new form of roulette. This afternoon we are playing Gingrich roulette. I say to all Members, it is a most dangerous game.

Mr. Speaker, I happen to serve on the Committee on Ways and Means. This bill comes before us with no hearings, no committee deliberations, no contingency plans should we not have a new Tax Code ready by July 4, 2002. So what we are doing is we are just shooting in the wind, hoping that Congress can develop a whole new Tax Code that is better than the current system.

Let us talk about the current system for a moment. The gentleman from Oklahoma brings forth the 6,000 pages that he claims to be the Tax Code. Where does he think that came from? How many pages of that Tax Code give tax relief to my constituents? Oh, some do. There are some child credit tax provisions in there, there are some earned income tax credit provisions in there, but know full well the bulk of that document you have before the House today is there for the benefit of the moneyed special interests in this country.

How many pages did Ronald Reagan and his 8 years add to the Code? Of the 6,000, I will bet 2,000. How many did President Bush and his administration add to the Code? Probably more than one thousand. But no Republicans are coming up and decrying those enormous and complex additions to the Tax Code. Why? Because all that is good Tax Code. It is good Tax Code because many of those provisions apply to your constituents.

While I am talking about your constituents, let me congratulate you on a very successful fund-raiser last night. Mr. Speaker, I am told that you folks raised in excess of $10 million last evening alone. All the wealthy people that showered you with that money were there because they were crying out for tax fairness? Who do you think you are kidding? Those folks who pumped $10 million into the coffers of the Republican Party are part and parcel of that Tax Code. And their presence last night to eat your chicken was a hearty thank-you. But now you stand before us cleansed and pure decrying, ''We don't like the Tax Code because it is too complex and too unfair.'' But what are you going to tell the folks when you go to your parades on July 4 and you see their little Johnny or Jane and you hug them and say, ''Your family will get an extra $400 for each of them because we passed a child tax credit for you.'' They say, ''Yeah, but you also passed this bill that will take the credit away from us. What's going to happen to the child credit in 2002?''

''I don't know.''

How about the home mortgage deduction? Every constituent of yours that owns a home wants that deduction retained. They may ask the gentleman from Oklahoma, ''What is going to happen in 2002 with that?''

''I don't know.''

Mr. Speaker, I do not know what you guys are doing here today. But, again, congratulations on the $10 million fundraiser last night. You did a good job.

Mr. BUNNING. Mr. Speaker, I yield myself 15 seconds. It is better than taking money from the Chinese government.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. METCALF).

Mr. METCALF. Mr. Speaker, this legislation defines the Republican commitment to reduction of the tax burden on working Americans and thereby taking a mighty step toward ensuring a brighter future for people of all income levels.

I am proud to be an original cosponsor of the Tax Code Termination Act. This legislation will provide for the abolition of the current unfair and burdensome Tax Code by 2001. This legislation does not carelessly abolish our current structure. Instead, the legislation requires the enactment of a replacement code by Independence Day, and that is a fitting day for this, 2001, that will be a fairer, simpler tax and reduce the tax burden on all Americans.

Mr. Speaker, the current Tax Code has simply become too big and too complex to correct. You cannot fix it. All Members of the House should join us to replace the current Tax Code with a system that is fairer, less complicated and takes less money from working Americans.

Mr. RANGEL. Mr. Speaker, if there is anybody in this body that knows of anyone that has taken money from the government of China, they would be aiding and abetting and involved as an accomplice in a felony unless they reported it to our Attorney General.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, it is really hard to take this whole issue seriously this afternoon. We all know that it is not going to become law. It is going to pass out of the House but the Senate will not take action on it. That is why we are not seeing lobbyists clamber down on Capitol Hill. That is why we are not seeing letters to the editor. That is why we are seeing no stories in the major newspapers throughout the country. This is really a political opportunity for one of the parties. This is not going to become law. So it is really hard to get particularly pushed out of shape or excited or concerned about this. It is just not going to become law. Because the reality of the situation is that those that are advancing this particular proposal really in 1997 added thousands of pages to the Tax Code. In fact, we have added in 1997 when the Republicans were in control of the Congress 285 new sections to the Tax Code, 824 new amendments to the Tax Code. This is just in 1 year. There are now five ways, five separate ways to do capital gains. In fact, Schedule D, which had 23 lines, now has 54 lines, and it really does take H&R Block to really figure it out. The average person cannot do their taxes. Most of them do not have capital gains so they do not have to worry about it. In addition to that, there are now two different way to do IRAs, a back-ended way and a front-ended way. In addition, you can convert over, but you better make sure you understand your economic situation before you do.

We also have a number of different ways either to take a credit or a deduction if you are a student. Should the student take it? Should the student's parents take it? Should the grandparents take it? We have really added complexity to the Code. The 1997 bill was probably the worst tax bill the United States has ever had, because it added more complexity to the Code than we have had in the last 25 years. And so this is not a real exercise in good government. This is really a show game.

I have to say that if it were taken seriously, I think people in this country today would be really concerned. You would have to say, shall I buy a house because I get a deduction on my home, and that is an incentive, that reduces my taxes. But obviously if we changed the Code or the Code is eliminated in 3 years, I may lose that deduction and all of a sudden I might not be able to make my monthly payments on my other expenses. But no one is saying that, because this is not a serious effort. It is really a shame. We are going to be in until midnight tonight and we are not going to take any really substantive action. The irony of it is that we have 13 appropriations bills that are supposed to pass, we have a budget, but we do not have it out of the House yet. Not one appropriations bill has been taken to this body. There has been no budget reconciled between the House and the Senate. It was supposed to be done on April 15. Here we are at June 17, 2 months later. It is amazing. It is absolutely amazing that we are wasting our time engaged in this kind of activity that has no relevance, no value and certainly it is something that is a political exercise that I think the American public will eventually get disgusted with.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. HALL).

(Mr. HALL of Texas asked and was given permission to revise and extend his remarks.)

Mr. HALL of Texas. Mr. Speaker, I want to be logical about this. I have thought a lot about it. I rise today in support of the Tax Code Termination Act. I rise at a time when we are doing better. We are doing better from the standpoint of economics. You can sell a piece of property now. People can find a job. We have got the lowest inflation. We have the lowest unemployment. Knowledgeable economists have told us that we have the best economy we have had since the late 1940s and early 1950s when we had the strongest financial position and strongest geopolitical position in the history of this country. So I guess you have to ask, why? Why are we where we are?

I think the President, the present President thinks that he caused it. I think Mr. Dole probably think he did. I think Mr. Bush thinks it is something he put into motion. But really and truly I believe it is because we are just now getting over the lousy 1986 so-called Tax Reform Act.

A lot of us have talked enthusiastically over the past few years about the need to replace our current tax with one that is more equitable, one that is more fair. Specific proposals for both a flat tax and a sales tax replacement have been debated throughout this country by proponents of these plans. A lot of us have signed on to both of these bills.

The IRS administered Tax Code does not work. It has been the source of endless anguish, unfairness, confusion and the invasion of privacy for a lot of hard-working, well-intentioned Americans. In the interest of fairness, however, I must say it is only accurate to note that many hard-working and honest employees of the U.S. Treasury Department have been embarrassed and appalled by some of the testimony by their fellow employees during congressional hearings on IRS abuses. So I think they know from within that we need to do something about the Tax Code that we have. We have to recognize the fact that our Tax Code has facilitated, and in many cases encouraged outrageous abuses while escaping all attempts at reason and justice.

The American people deserve the right to know when it will end. We need to be able to collectively undertake this important goal as opposed to a mere debate.

□ 1330

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HOUGHTON).

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, I am not going to take long here, but I do think that this is something which I would like to share an idea or two with my colleagues. Let me tell them a story.

There was a man called Robert Ruark, and he wrote a story called ''Something of Value'' which talked about the end of colonialism in Africa and the total chaos, and the reason there was chaos is that there was nothing to take the place of the old governments. And I think he said we could say as almost a general statement, ''When you take something away, you must be able to put something in its place.''

Now I do not consider this a political argument at all. I consider this an argument of technique. Some people think that the idea of forcing an issue is the better way to get to an end rather than logically taking a look at what the steps are in order to get where we ultimately want to be.

I do not think anybody is happy with this Tax Code. I do not think anybody is happy, as my colleagues know, really since the days of our Lord when the Publicans were running around. I say ''Publicans,'' not ''Republicans,'' were going around and trying to collect taxes.

But really the question is: What is out there? I think we must exert an element of judgment here.

As my colleagues know, to force something without anything at the end, and let us say at the end of June in the year 2002 we have nothing; what do we do? Where do we go? How does somebody plan? Will there be Social Security? Will there be Medicare? Will there be anything else? No one really knows.

Mr. Speaker, this is a very high stakes game, and to use a technique of forcing something without any anything on the other end I think is highly irresponsible, and therefore I think it is a bad measure and something which we should vote against.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Wyoming (Mrs. CUBIN).

Mrs. CUBIN. Mr. Speaker, I rise in strong support of H.R. 3097, the Tax Code Termination Act. I intend to vote for the passage of this legislation, not just because I am a cosponsor of the bill, but also because it makes sense. I have to just take exception with some statements by the speaker from California who talked about increasing people's taxes because of the possibility of not being able to deduct mortgage interest from their income and

charitable contributions. There is in no way an intention to increase, nor decrease, revenues to the Treasury of the United States by changing the Tax Code. We simply want to make it more fair, more equitable and simpler so that the American public can do their own taxes and understand exactly what they are doing.

I am also glad that the fine gentleman from New York is on record as saying that if anyone did take money from the Chinese Government, that it would be a felony, and I know that when the time comes that he will see, if that is exposed, he will see that the full force of the law is enforced.

Mr. Speaker, I recently held two public forums in my State of Wyoming on the Internal Revenue Service and the experiences that people have had, both good and bad. One person told us about having underpaid her taxes in the amount of 3 cents, and she received a bill for over $1400 from the Internal Revenue Service. Time and time again I heard how the Internal Revenue Service abuses its power, and in lieu of attempting to work with people and provide some flexibility on how to address a certain tax problem the Internal Revenue Service seemed to always take a hard-line approach. Mr. Speaker, we can and should make the Internal Revenue Service personnel more accountable for their actions.

Finally, the Tax Code must be simplified. The average person is increasingly frustrated with the time and expense involved in the preparation of their tax return.

I urge my colleagues to support passage of this bill, and I look forward to participating in the subsequent debates on how to address the challenge of replacing the current Tax Code.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I would like to associate myself and others who feel as I do with the remarks which the gentleman from New York (Mr. HOUGHTON) made. I think what people want us to do is to act reasonably to try to make a fair Tax Code, to try to raise the revenues that are necessary to buy the aircraft carriers, and the planes and the tanks we need for our defense, to try to do some of the things that we spend money on in terms of helping all of us as American citizens whether it is roads and bridges and infrastructure, water and sewer systems, those things that we need to do as a government that private enterprise cannot do, and I think in the end they want us to behave reasonably.

Now it is hard for me to understand why a bill that forces us, all of us, not just Members of Congress, all of us as citizens, to either, 1, say it is everyone for himself or herself from now until the year 2002, as this new code that we do not know what is going to look like is rewritten; or, 2, if we cannot come to closure, and, my lord, it is hard enough to reach a consensus on tinkering with it around here, and I am on the Committee on Ways and Means, I see it; if we cannot come to consensus, then what happens? Nobody knows. It would be hard for me to think we could sit here as American citizens and padlock the Pentagon so that whoever wants can come in here in the year 2002 and take whatever is left. I do not think that would happen, but who knows? If we cannot reach a consensus in June of 2002, what is the country going to do?

Now I just do not think that this approach, as the gentleman from New York states it, I do not think that people who think about this and think it through believe that is reasonable to put a gun to the collective head of every citizen in this country between now and the year 2002 to say, ''You write the Tax Code.'' Gentlemen say, well, we are going to let the American people write it. Great. How they going to do that? They have got a gun to their head under this bill.

Now later on the gentleman from Florida (Mr. BOYD) and myself and others are going to have a motion to recommit this as a resolution, a sense of Congress, that says the Committee on Ways and Means will go to work now by a day certain to come up with a Tax Code that does not endanger the balanced budget agreement we just worked so hard to reach. We would like to see that work and get us out of what has been an abysmal hole in the wall of debt that is fair, that is more simple, that encourages savings and investment to make our country stronger, that protects Social Security and those things we want, and to undertake hearings. Can my colleagues imagine it being reasonable to come and scrap the Tax Code without one single moment of hearing on this bill in the Committee on Ways and Means, the committee of jurisdiction? I just do not think it is reasonable, and for that reason I urge a no vote.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. ARMEY) the Majority Leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I suppose it would be fair to say that I, along with perhaps my colleague, the gentleman from Louisiana (Mr. TAUZIN), have traveled more miles, visited more cities, spoken before more organizations and groups of people, talked to more individuals in the grocery stores and wherever we have been in America on this subject of tax reform than perhaps anybody. And what the gentleman from Louisiana will tell us and what I will tell our colleagues:

In all of these miles and all of these meetings and all these discussions with all these thousands of people that we talk to there is one consensus that comes burning through. The current Tax Code is an abomination to the human spirit, it goes against everything that we think is important, necessary, beneficial, useful and healthy in the life of our family or our business, and we cannot and will not suffer it any longer, and we expect Congress to do something and do something about it now. They have had a great opportunity to look at what I have offered, the flat tax, or what the gentleman from Louisiana has offered, the flat sales tax, and there is a commanding concession, shows up in the polls, shows up in all our discussions, that one or the other, either of these would be a godsend and a relief by comparison to the current struggles had with the current Tax Code.

Now what are we doing here today? We are saying to the American people, ''We offer you here a bill that expresses the resolve of the Congress of the United States to sunset this code that is driving you crazy, Mr. and Mrs. America, that costs you $200 billion in compliance costs, that costs the average small business in America today $4 in compliance costs for every dollar's worth of revenue that accrues to the American government and tears up your family life for at least 5 months out of your year. But we will sunset that in the year 2002, and by a timetable stipulated in the bill the Congress of the United States working with the President will develop that replacement code.''

Now let us suppose that we pass this legislation, let us suppose that the President signs this legislation, let us suppose that for the next year and a half or so we labor under this law, and let us suppose that Congress finds itself incapable of doing that. Congress then can come to the floor with a bill that says, ''Mr. and Mrs. America, we vote now to continue the existing code.'' How would my colleagues like to make that vote as a confession to the American people that after 2 years, 2½ years, we are incapable of producing that new Tax Code? I do not think we want to make that vote. So what this says is Congress, having made this vote, will get down to business, get the job done. That is what is expected of us.

Now one final point:

The American people will tell us that the problem they have with the code is it is too intrusive. It governs the way they make decisions. They cannot make a decision in the family or in their business based on family, the financial economic criteria. They have to make decisions based on tax criteria, and it is a burden to them.

And listen to the defense of the existing code in opposition to this initiative today. It is a validation of that argument. It is saying that if, in fact, we tell the American people they will not have this code, they will have another code in just a few short years, the American people are supposed to be people that would go into a frenzy of insecurity for they will not know how to make their decisions without this code. What could more validate their complaints?

Let me suggest the spirit of the American people is quite different. The spirit of the American people will be we have got a promise to be relieved of this burden in our lives, we have a commitment, and we should plan for freedom, dignity, respect, honesty, fairness, simplicity, decency. We should plan on the day soon when the government of this country will finally know the goodness of the American people and have the decency to respect that in the manner in which they extract these necessary funds.

I think we will not find an insecure American people. I think we will find an elated American people.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to say to the majority leader that he has been providing such strong leadership for the last 3 years, and no one can doubt the leadership of the Speaker, the gentleman from Georgia (Mr. GINGRICH). They have got outstanding leaders on that side of the aisle, intelligent, bright, creative people. Why should we believe, if they have not been able to come up with anything in 3 years, that they are going to come up with anything in the next 3 years, which of course assumes that my colleagues also know that they are going to retain the majority?

Mr. ARMEY. Mr. Speaker, would the gentleman yield for just a moment for a response since he directed the question to me?

Mr. RANGEL. Always being the courteous one, Mr. Speaker, I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I appreciate the point the gentleman is making. I would just say to the gentleman the leadership this Republican majority has, I think gentleman is right, for too long too much occupied itself with trying to clean up the mess of the prior 40 years, and it is now just time to cut the cancer out altogether and start afresh, and I appreciate his point.

□ 1345

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California, (Ms. LEE).

Ms. LEE. Mr. Speaker, I want to thank our ranking member, the gentleman from New York (Mr. RANGEL), for giving me the opportunity to speak in strong opposition to the Tax Code Termination Act, H.R. 3097. It is really difficult to believe that Republicans would actually submit this unworkable, impractical legislation.

Yes, Democrats and Republicans have different values and support policies that have significant impacts which are different on all of us, but historically, legislation that has been introduced by a majority party most often has merited serious consideration, especially on controversial issues like taxes.

It is important for all Americans to know that this extreme bill has had no committee deliberations, no hearings, and thus has had no input from Democrats and the public.

Mr. Speaker, when I served on the Revenue and Taxation Committee in the California State Senate, one of our most important responsibilities was to determine the fiscal and economic impact of tax policy. Committee deliberation was an essential part of our responsibility as legislators.

This bill to sunset the Tax Code cannot be serious. The impact of this bill, were it to pass, would make planning impossible for anyone who plans to make a financial transaction, such as selling a house. The bill sunsets most of the Tax Code effective in the year 2002, and there is no replacement tax system. Does our country actually need another threat such as this one?

The bill could knock out municipal and State bonds which offer tax-exempt status and are a significant part of our economy. School construction cannot be financed. Companies will not be able to make sound investment plans.

This is not the way our democracy should work. Our work here has serious, profound consequences. So I ask that we defeat this obviously unworkable, foolish and foolhardy proposal.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Idaho (Mrs. CHENOWETH).

Mrs. CHENOWETH. Mr. Speaker, I thank the gentleman from Kentucky for yielding me this time.

I rise in strong support of the Tax Code Termination Act, a bill that would eliminate a 5.5 million word Tax Code, and it is time that we do it.

Mr. Speaker, it is interesting the debate that we hear, those who would defend the status quo and those who would say that there have not been any hearings held. I can tell my colleagues that there have been hundreds of my colleagues who have joined me in going across this Nation holding hearings, listening to the American people where they live and work and raise their families, and overwhelmingly we have heard that there is a sense of urgency in that we must make an immediate change.

I commend the sponsor of this bill, the gentleman from Oklahoma, for his courage and his vision. I am very pleased to be an original cosponsor to this very necessary piece of legislation. Because indeed, if we do not hold some sort of a gun to this body's head, it will never change, because there are too many people willing to defend the status quo, to defend an Internal Revenue Service that breaks lives and breaks futures and breaks bank accounts.

It is time that we break through the fear and intimidation that we are hearing from the other side and bring a sense of freedom and self-determination back to the American people.

What we intend to do, let me tell my colleagues, and the American people love it, is to shift power to the local and State governments. We are eliminating waste and curtailing the abuse of the Internal Revenue Service. We are eliminating an agency whose budget has tripled in the last 16 years, and yet failed a government audit because it could not account for hundreds of millions of dollars, and people in this body are trying to defend the status quo? I do not think so. This bill is necessary and it is timely.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank him for his leadership.

The gentleman made a point earlier today about how easy it would be for legislators to take this political vote and eliminate the Tax Code. I would simply put it slightly differently. It is going to be easy for me to vote against it, because I represent working men and women.

I represent those who benefited from the earned income tax credit of which we were very right to ensure that we protect those men and women who made under $30,000 a year. I would like to think that I represent men and women who go to work every day and want to ensure that their employer provides them with the kind of health care of which the Armey flat tax would eliminate and the Tauzin retail sales tax, which must be the result of eliminating the Tax Code. So I cannot afford to vote for this legislation, because I have to vote for health care.

Frankly, as someone who believes in the Boy Scouts and Girl Scouts and the United Way, I cannot afford to vote for a piece of legislation that eliminates and disregards all of the charitable donations that we give around this Nation.

This is a frightening piece of legislation, and frankly, I think if the American people knew what we were doing here, they would be bombarding these chambers begging us not to do it.

Then all of the homeowners, as I participated in the Habitat for Humanity this week, the largest project going on in Houston, Texas, and seeing their work and tears in the potential homeowner's eyes as they will pay their meager earnings to provide for a house, and we want to take away the homeownership deduction, the mortgage deduction. This is a frightening piece of legislation.

I can only say that I understand the concerns about the Internal Revenue Service. I have legislation to make it a softer, nicer Internal Revenue Service, to eliminate the marriage penalty. But the American people realize that they want good health, they want a good environment, they want the Yellowstone Parks, as they venture out into the summer for their summer vacations; they want to be protected on the highways and byways.

This is a bill that would cause a stampede to this Congress begging us

to vote ''no,'' and I am glad I will be standing with the American people. I will be voting ''no'' on this bill.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. RILEY).

Mr. RILEY. Mr. Speaker, our Tax Code is a monstrosity. It is one that I do not believe can be tinkered with or reformed. It has become a Goliath that has to be slain. It is 17,000 pages, 5 and-a-half million words, and 3 times longer than our Bible. Our Tax Code is too complicated and it is far too complex. Even worse, it is unfair and counterproductive.

Why? Because it penalizes the people of this country for being married; it penalizes them for working, for being productive, for saving. It even penalizes the people of this country for dying.

Mr. Speaker, this is insane. It is time to scrap this code, and we have a bill before us today that will do just that. The Tax Code Termination Act will put an end to one of the largest, most complicated and detrimental tax systems in the world. This legislation will at least force Congress into a serious and open debate on the best way to replace this old Tax Code.

Mr. Speaker, a vote against this bill is a vote for the same tax policies we have suffered under for the last 30 years. A vote for this bill is a vote for finding a better, fairer, simpler way for Americans to perform their civic duty. In short, this will be a vote for the American people.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me this time.

This is another in those proposals that have become familiar around here. We call it ''government by gimmick.''

What should we do? We ought to have term limits and then spend all of our time trying to figure out on the other side how to get out of those commitments we made. Then we ought to have the line-item veto around here so that we can pray that the Supreme Court will turn it down. Then we ought to have the Balanced Budget Amendment which we were able to accomplish without disturbing the Constitution.

What is the latest gimmick? The latest gimmick is, how do we tell the American people we are now sunsetting the Tax Code when there is not anybody here who believes that 5 years from now or 4 years from now that that is going to occur.

This outrageous bill, which they propose and suggest would terminate our current system, is nothing more than another effort to convince the public that government solutions are all going to be easy. Nobody here defends the current tax system or says that it does not need some improvement. Nobody says that the IRS here is not in need of improvement. But what The Washington Post did say in response to this proposal was, why do we not just sunset the House?

Let me give you a brief quote from that editorial. ''House Republicans have scheduled a show vote this week on what is arguably the least responsible idea in American politics. They would sunset most of the Tax Code effective January 1, 2002, without having agreed upon what ought to be the replacement.''

Now, let me suggest on this occasion, they have not told us what they are going to do with the homeowner deduction. We know that the flat tax would cost 17 percent, and that simply is not enough to generate the current support and level of services that the American people have come to accept and enjoy. The Department of Treasury believes that the tax rate needed to raise the current amount of revenue would raise taxes on middle income Americans if their proposal was to pass by $1,500, and the top 1 percent would get a tax break of $44,000. So what their proposal means is this: The wealthy are going to pay less and average Americans are simply going to pay more.

The national sales tax calls for a 23 percent sales tax to replace all individual and corporate income taxes, the Social Security payroll tax, and the estate taxes. These are hidden taxes on State and local government that could result in the expenditure of up to $120 billion in new taxes at the State and local levels. These tax proposals would be nearly impossible to enforce.

We should not sunset the code before we agree through consensus of Democrats and Republicans how to improve the system. We should not provide uncertainty to the system. We all agree that the current system is flawed, but we have to have worthwhile provisions that the American people will come to regard with an element of respect. I wish I had more time to go on and on about this, Mr. Speaker.

Mr. Speaker, today we are debating a bill that Secretary Rubin called ''semi-ludicrous.'' This outrageous bill would terminate our current tax system and not set a date for enacting a new system. I do not think that one Member of this body does not think that our current tax system needs improvement. I do not think that one Member of our body thinks that the Internal Revenue Service (IRS) does not need improvement.

This does not mean that we should support irrational legislation. On Sunday, the Washington Post ran an editorial entitled ''Why Not Sunset the House?'' Let me give a brief quote from the editorial ''* * * House Republicans have scheduled a show vote this week on what is arguably the least responsible idea in American Politics. They would sunset most of the tax code, effective Jan. 1, 2002, without having agreed on the replacement.''

Congress is in the process of taking responsible action on the IRS. The House and the Senate are in the process of a conference agreement to iron out the differences in the House and Senate passed IRS bills. Commissioner Rosotti is committed to improving the IRS and I believe he has already made progress.

The two leading proposals for tax reform are a flat tax and a national sales tax. Both these proposals have fundamental flaws. The flat tax would replace our current system with one rate and that rate would be 17%. The Department of the Treasury believes that the rate needed to raise the current amount of revenue would raise taxes on middle-income families by $1,500 and the top 1% would get a tax break of $44,000. A flat tax kills the progressivity of our current tax system.

The national sales tax proposal calls for a 23% sales tax to replace all individual and corporate income taxes, the Social Security payroll tax, and the estate tax. There are hidden taxes on state and local governments that could result in $120 billion in new taxes for state and local governments. This tax would be difficult to enforce.

We should not sunset the code before we have a solution to fix the system. We should not provide uncertainty to the system. I agree our current system is flawed, but we do have some worthwhile provisions that provide protections that many taxpayers rely upon.

Let me talk for a second about the home mortgage interest deduction. This provision has benefited millions of Americans. Twenty-eight million Americans benefit from this deduction and more than 50% of these taxpayers earn less than $75,000. This deduction has helped many of us with the American dream of owning our own home. Scrapping the code leaves this deduction uncertain. Also, the deduction of state and local property taxes would be uncertain. This deduction helps make it easier to own a home.

We also have many other valuable deductions such as the deduction for health insurance of the self-employed and charitable deductions. Retirement savings receive preferential benefits from our current tax system. Scrapping the code does not protect retirement savings. Why should we encourage investment in Roth IRAs if they may no longer exist in 2002?

Let's stop this nonsense and address real tax reform. The Democrats on the Committee on Ways and Means have introduced a series of bills to make it easier for taxpayers to compute their taxes. These bills address the individual alternative minimum tax (AMT), individual capital gains, and the calculation individual phaseouts and deductions.

I urge my colleagues not to be part of this outrageous proposal. We should get back to work and work together to simplify our current tax system.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume, just to respond.

I did not know The Washington Post was the expert on tax policy in this country, especially their editorial page.

The markets are panicking so much that we are about to pass this on the floor that the Dow Jones is up 180 points, the Standard & Poor 20 points and the NASDAQ is 38 points today in response to the fact that we are going to pass this horrible, irresponsible bill, and the financial markets are in a panic today.

Mr. NEAL of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BUNNING. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. Mr. Speaker, is the stock market growth that we witnessed in response to the Clinton budget that we passed in this institution without any help from the other side?

Mr. BUNNING. No, it absolutely is not. It is in response to the fact that we have balanced the budget and the Republican Congress is the persons that passed the balanced budget bill.

Mr. NEAL of Massachusetts. Mr. Speaker, if I recall, there was not one vote from the other side.

Mr. BUNNING. Mr. Speaker, reclaiming my time, I yield 1½ minutes to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, let us clarify what this debate is about. We are not changing the Tax Code overnight, but for those who come to the floor and defend this and defend this number of books, I urge the Members who defend this to go ahead and sit down and try and figure out their own taxes. If Members of Congress were required to do their own income taxes every year, they would realize the severity by which we have inflicted pain on the American public.

I also heard today that this is about politics, today's vote is about politics. What do we think represents every page in this book? About politics, about adding amendments.

Now, I did not hear the gentleman from Oklahoma (Mr. LARGENT) or anyone else defending the Republicans who added amendments. He did not say that, nor do I. I suggest both parties are responsible for the promulgation of these rules, regulations, amendments, addendums that require every average American citizen to hire expensive accountants in order to just comply with the law. Money Magazine challenged 50 tax preparers to prepare the return for an average family of 4, the same return. Forty-eight failed to get the same answer. Only 2 were successful in completing the equation.

Now, that should speak volumes, as the books do, about the complexity of the code. Every law we pass in Florida now has a sunset provision. That is a normal, standard operating procedure, because laws do not exist forever. I remember as a young person when rust would appear on my car and I would try to sand the rust and put bonding on it, and I was so surprised months later that rust reappeared. If we merely tinker with this, it will continue to haunt us, and I urge Members to support this bill.

□ 1400

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I have a record in support of reforming and simplifying the Tax Code and in favor of reducing the tax burden. As a businesswoman, I know how this complicated system undermines the success of entrepreneurs and small businesses. But tossing out the code without any notion of what will replace it is dangerous.

I worked in the financial markets and my colleagues on Wall Street tell me that this will create uncertainty in the marketplace, and that is America's pension plans on the line.

The Secretary of the Treasury says that it will create dangerous uncertainty in the marketplace. And think about the uncertainty that this creates at the kitchen tables around America. Do we want to see the value of our homes decrease next month over the uncertainty of whether the home mortgage deduction will survive the ban? Do we want to see a drop in charitable contributions because people do not know whether they will remain deductible? Would any American vote for a proposal like this without knowing whether it would result in their own taxes going up because of an unknown plan that might replace the current code?

Mr. Speaker, we need the courage to propose a replacement before we toss this out.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, we have seen this year that the American people have a hard time saying good-bye, good-bye to anything. The final episode of Seinfeld was a national event earlier this spring. We made it clear that we did not want to say good-bye to our favorite cast of characters.

And after the Denver Broncos won the Super Bowl this year, the big question was whether John Elway would return and come back to defend the crown. Fans of the Broncos begged John to return for just one more year. We did not want to say good-bye to one of the greatest quarterbacks ever to play the game.

The NBA Finals this year received huge ratings, partly because America knew we might be saying good-bye to a sports dynasty.

Mr. Speaker, we have an opportunity this year in this place, this day, to begin saying one more good-bye. If we pass this bill, we will say good-bye to 800,000 words of Tax Code. We will make the statement, our Tax Code is not worthy or capable of reform, but of replacement.

Mr. Speaker, the American people have spoken. Some of them want a national sales tax. Some of them want a flat tax. But all of them seem to agree on one thing: They want to scrap our current Tax Code and start over.

Most importantly, it is time to say good-bye to the IRS. America held Seinfeld parties, we held Superbowl parties, we held NBA parties. Mr. Speaker, let me assure my colleagues that if Congress votes to sunset the Tax Code, we will see parties across this country like we cannot believe.

America does not like to say good-bye, but in this one case I think we would be willing to make an exception.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BECERRA), a member of the Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I was reminded of some questions recently that my daughter was asking me and when I had to say no, she kept saying to me why, why, why? This whole debate reminds me of that conversation. Why, why, why?

If the majority wants to get rid of it, what will they do? Do not tell us in the year 2002, tell us now. For those families who are thinking about buying a home, what will the price of the home be now? They need to know. Will they be able to deduct the mortgage interest on the home or not? Will that increase the price they have to pay or diminish the property value once they purchase?

Will that individual, thinking of moving to a new company, have a pension plan because the company knows that right now the Tax Code provides an incentive for companies to provide employees with a retirement plan, and as a result, they get to deduct some of that from their taxes. But if we are going to abolish the Tax Code, will the company be offering pension plans to their new employees?

Why? If my child is entitled to an answer, certainly the American public is entitled to an answer.

Why? What? How? When?

This is nothing but bumper sticker politics. We want to be able to go into November saying, ''We did this. We talked about abolishing the Tax Code.'' It does sound very good, and I suspect after the vote in this House by the majority party here, they will have the votes to pass it on. It will not become law, but they will be able to say they tried to abolish the Tax Code and it will sound great.

But, Mr. Speaker, all the kids in America will still ask why, how, what, and they will never give them an answer. The majority will do the worst kind of policymaking that is possible in this country, and that is legislating by fiat, legislating by show, legislating by theater, legislating by bumper sticker.

Mr. Speaker, that does not do anyone any good. We ought to give the American public, and America's children, whom this will affect most, an answer.

Mr. BUNNING. Mr. Speaker, I yield 1½ minutes to the gentleman from Colorado, Mr. BOB SCHAFFER.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I thank the gentleman from Kentucky (Mr. BUNNING) for yielding me this time.

Mr. Speaker, this is no small debate. But the National Federation of Independent Business, the Nation's largest advocate for small businesses in our country, supports the sunsetting of the Internal Revenue Service Tax Code. They have gone all across the country surveying their members, talking to people throughout the Nation, and small businesses have told us over and over again that this IRS Tax Code is too cumbersome, it represses small business in America. It represses the

entrepreneurial spirit of the American people and a Tax Code needs to be reviewed.

This is not new, when it comes right down to it. Most States throughout the country have sunset codes on all of their regulatory law. This is true in Colorado. There are sunset dates, termination dates, on every single regulatory function of State governments in many States throughout our country. It really does turn the tables and gives the advantage back to the taxpayer and takes the upper hand away from the government. That is what Democrats fear. They fear that because, when it comes to what side we are on, that of the government or that of the people, Democrats always side with the government. We side with the people.

Mr. Speaker, our main supporters want to see lower taxes, more tax relief. Their side enjoys bigger government and more revenue for the government, because those are their constituents. That is fine. They have become the tax collectors of the welfare state. We have become the party of the people that want to be taxed less.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, well, I have listened to some of this debate and I think I can sum it up very quickly. I am not in favor of the status quo, but I am not in favor of anarchy.

Anarchy is not being on the side of the American people. The majority is proposing to tear down a house before they have even put one block into a new one. It will not sell. I have heard some say, we need to force Congress to do something. Who has had the majority in this place for 4 years? Where have they been?

They had the majority in both the House and the Senate to pass something. Maybe the President would have vetoed it. But they have not passed a comprehensive tax bill that he could say yes or no to. They say we have to force ourselves?

Mr. Speaker, I suggest the fault is not in the stars, I say to those in the majority, but it is with yourself.

Why is the bill opposed by such a full spectrum from the labor movement to the National Association of Manufacturers? Do not take comfort that when most everybody is against you, it is something good. The people will not buy this.

How are they going to plan mortgages? How are they going to plan their estates if they have no idea what charitable deductions will look like? How are companies going to plan health care coverage if they do not know whether they will be deductible? How do municipalities begin to issue bonds? It is chaos.

Is the majority going to suggest we sunset Social Security next because they do not like the Social Security system?

Mr. Speaker, after the sunset comes darkness where I come from. This is a very dark proposal. If my colleagues on the other side of the aisle think the American people will buy this, they are only fooling themselves.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope the gentleman from Michigan has read the bill. The sixteenth line of the second page, ''In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by the Congress in its final form no later than July 4, 2002.''

Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. FOSSELLA).

(Mr. FOSSELLA asked and was given permission to revise and extend his remarks.)

Mr. FOSSELLA. Mr. Speaker, I stand in strong support of this legislation. Indeed, I think if there is one thing all Americans can agree on, and indeed Members of this body, it is that we have always been the beacon of freedom around the world. We have always been the place where people have come to free themselves of religious persecution and the Nation that still cherishes the notion of life, liberty and the pursuit of happiness.

Mr. Speaker, I think if our Founding Fathers were alive today, they would be looking at our Tax Code with disbelief. Indeed, I stand with all of my Republican colleagues, or at least most of them, to say that the time has come to end the rusty rhetoric that we have been hearing for years to delay, stall and obfuscate what the real issue is, and to tear down this Tax Code once and for all.

There has always been a constant struggle since the beginning of the Republic between and among those who believe that government serves a purpose, but it serves a purpose to unleash the American spirit of hope and opportunity and belief that limited government is the right role for government, that the decisions made in our towns and villages and States across this country, like Staten Island, Brooklyn, the places I represent, are better than those made here in Washington.

What we have created here is a praetorian guard that has defended this Tax Code. The defenders of the status quo who proclaim that if we engage in this 4½ year mission to reform and revamp the Tax Code to make it simpler and fairer and flatter, one that promotes growth, one that promotes savings and investments, one that tries to take money out of Washington and puts it back home in Staten Island and New York where I think it belongs with the hard-working people of this country, and they say that we will have Armageddon.

This country has defied every obstacle known to man, defied the odds, overcome obstacles. Just this century we have won two world wars. We have lost valiant veterans in Korea and Vietnam fighting for freedom, and just recently in the Persian Gulf. Are we to believe that we cannot overcome this challenge?

Mr. Speaker, this is the time to end the rusty rhetoric, to throw out the garbage that we have been hearing. Let us show the defenders of the status quo that America indeed is ready for this long overdue challenge.

America has proven its greatness time and time again. Sunsetting the Tax Code, a complete disgrace to all of us as we have all acknowledged here today, is no exception. I congratulate the gentleman from Oklahoma (Mr. LARGENT) and the gentleman from New York (Mr. PAXON) for introducing this bill. I urge, for the sake of all America and its future, that we pass it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, after the highway bill that busts the budget and all the pork projects in it, and the fact that we debated the Republican budget resolution at 12:30 in the morning because they did not want to debate it in the light of day, I did not I think the fiasco of the House Republican leadership could be topped until this ''special order'' piece of legislation was brought to the floor.

Mr. Speaker, this is the most ridiculous thing I have ever seen. We are going to throw out the Tax Code, tell American business that they are not going to know how to invest, not going to know what to issue debt to, issue stock, not going to be able to know what to do because maybe we will do a new Tax Code by 2002.

The gentleman from Kentucky (Mr. BUNNING) says that the bill says, ''Congress should.'' There is a difference between ''should'' and ''shall.'' The fact is that if we want to do tax reform, we should get the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, my good friend and colleague from Texas, to mark up a bill and bring it to the floor. Let us debate it now. Bring the American people in on the deal.

All this does is set up the Congress for failure and set up American business for failure.

□ 1415

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume.

One of the primary reasons why fundamental tax reform has not been enacted, and I hear many Members over there saying, well, you are in the majority, let us go enact these changes, is that the person who occupies the Oval Office is opposed to any kind of tax reform. He likes it. He likes the code as

it is, as do many Members on the other side of the aisle who, for 40 years, when they controlled the House of Representatives, used it as a means of redistribution of income in favor of their constituents and their supporters. That is why we need to replace this Tax Code as soon as possible.

Despite the 40 years of Democrat controls, they wrote a code which no one considers fair or simple. How and now is the time to redo it. They did not do it for 40 years when they were in command. We want to do it and start it today. Legislation that we have in front of us is the first step in making that change.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to respond to my friend. It is almost funny. If the gentleman is saying that the Republican majority could not possibly pass any meaningful tax reform legislation because of our distinguished President being in the White House for the last 3 years, then what he is really saying now is, since the gentleman and I know the President is going to be there for 2 more years, that they will not be able to do anything for 2 years. Give me a break.

Mr. Speaker, I yield 1½ to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I thank the gentleman for yielding to me.

No one likes taxes, but taxes are how we fund our schools, our national defense, our police, our parks, environmental protections, highways, and roads. Unless we are going to do away with all those things, do not let anyone fool you into believing they are going to do away totally with your taxes. They are not. If we do away with this Tax Code, we have got to have another.

The first problem with this bill is, they do not have another. This bill eliminates one Tax Code without proposing a new one. In other words, Republicans want to do the easy thing now before the election and save the hard part for later.

Republicans say let us eliminate the home mortgage interest deduction now and, trust us, we will make it up to you later. Let us eliminate incentives for employers to provide health care and pension plans and, trust us, we will make it up to you later. Trust us, they say.

But do you know who does not trust them? The National Association of Manufacturers does not trust them. The AFL–CIO does not trust them. How many times do we get the unions and the manufacturers opposed to the same bill? That tells us something.

Both groups want to keep the economy strong and save American jobs, and they know if business cannot count on the reliability of the Tax Code to plan ahead, to calculate the after-tax costs of investments in plants and equipment and people, then jobs will be lost, the economy will suffer. That is why they are united against this bill. That is why middle-class Americans should be, too.

Any bill that gives a full tax break to someone who inherits a fortune and has never worked a day in their life but takes away a home mortgage interest deduction makes no sense.

Let us have a new Tax Code. But it has got to be fair, not just simple, and it has got to be ready before we eliminate the old one. Do not ask for our trust to fix it later. Give the American public the facts now, unless my colleagues are afraid of what they are offering.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, I thank the gentleman for yielding to me. Mr. Speaker, this is an important debate. Really what is happening here today, this whole argument is about power, about who has it, and who does not have it. As long as we have this existing Tax Code in Washington, the Federal bureaucracy and the Internal Revenue Service have the power, and the American citizens do not.

I think that one of the reasons we hear the liberal left squealing on the floor today is because they hear that big sucking sound, being power going out of Washington, D.C., and back to individuals and families in this country. That is really what all of this is about.

So people today who want to vote for the status quo, who want to vote for the current Tax Code and for keeping power in Washington and power with the Federal bureaucracy, vote against this legislation. But if my colleagues are in favor of doing something that is responsible and going to say to the American people that we want them to have power and we want them to have control, and we want to take all of this bureaucracy and all of this special interest money that the other side has talked about today that feeds into keeping the Tax Code the way that it is so the Washington bureaucracy can continue to stay the way it is, then vote with the other side.

We have heard a lot of talk today about the word ''irrelevant.'' We have a Tax Code that is so complicated that Americans are forced to spend over 6 billion hours and $190 billion complying with it. The Tax Code is cumbersome. It is complicated. It is burdensome. If that is not irresponsible, I do not know what is.

The other word I heard today thrown out was ''semi-ludicrous.'' The IRS fined a taxpayer recently $10,000 for using a 12-pitch typewriter instead of a 10-pitch typewriter to fill out his tax forms. That is not just semi-ludicrous, that is fully and completely ludicrous.

We have a major problem. The other side said, when we were talking about the balanced budget, that you cannot balance the budget in 7 years because it is going to destroy the consumers. The nay-sayers, the doom-and-gloom prophesies that are coming from the other side are just exactly what they are; and that is a desperate attempt to try and keep power in Washington, D.C., and keep from giving it back to the American people. We need to support this legislation.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, you have probably heard it all about status quo, agents for change. Eventually, you are going to get a team to pick, and everybody in America can choose up a side. We have got two leaders here today that are in the Hall of Fame, one in baseball and one in football.

This really is about team sports; politics are about team sports. Politics are really about team sports. Two teams are going to take the field today when we vote. One team is going to say the Tax Code is too large, too cumbersome, and we are going to replace it in a timely process, in a reasonable process. We are going to give ourselves 3 or 4 years to do it. If at the end of the 3 or 4 years we do not have a compromise that will work, we will just extend the current Tax Code and keep working on it until we get it right.

That team says what we have today is wrong, and we are going to work on it until we get it right. We think 3½ to 4 years is enough, but if we are wrong, we will extend it. But we are not going to sit by and let the Tax Code be unnoticed. We are going to be agents for change.

The other team is going to say it is irresponsible to take a Tax Code that manages the economy to the extent that this Tax Code does and manages people's lives and replace it without knowing where you are going to go. There is a certainly logic to that argument. But a 4-year period, knowing that you are not bound by the 4 years, if you need to extend it, you can, I think that argument sort of falls flat; and it really is a status quo argument.

That team is divided into two camps. One group really believes you need something certain before you replace the current Tax Code. A group within that group never wants change, and they are just saying it as a way to avoid change.

But if you took that logic and applied it to the history of this country, I doubt it if you would have had much teeth on it in Boston Harbor. I guarantee the first militiamen who fired the shots at Lexington-Concord did not know how that thing was going to end, but they knew they were doing the right thing. They knew that they were taking a stand, and what they were leaving behind was unacceptable.

That has been the history of this country, people being bold when they need to be bold, taking oppression and throwing it off the yokes of the working people. That is what this vote is about. That kind of logic, if we had had

it in the mid-part of our country here in the 18th century, we would still be in Ohio because nobody would want to go any farther West because they do not know what was over the hill.

I can tell you what is over the hill for the American worker: a new Tax Code that is simpler, that is fair, that does not chill you to the bone is a good day. That day is going to come sooner or later. I hope it comes by the year 2003.

The only way it is going to happen is if we set a date certain and put a closing date like we do on our House. Anybody that has ever been in litigation, anybody that has ever been a lawyer, they do most of their work on the steps of the courthouse because they have got something to do. You have got a date to meet.

We need a date to take this Tax Code and put it in the history books, put it in the history books where it belongs and replace it with something that helps the working people of this country. We can do it, Republicans and Democrats alike. The reason we know we can do it is, we balanced the budget together. But we have got to buy into it. The status quo has got to go.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I rise in support of the Tax Code Termination Act. Really, when you think about it, this is a rather momentous day, the fact that the United States Congress would come together and have a vote on this matter. Whether we are against this or for it, this is a very significant period in our history to be able to come on the House floor and say we are against the present Tax Code and we wish to change it.

It is important to relate to the constituents and to Members that there is an exception in this for Social Security and Medicare. So when we are eliminating the Tax Code, we are not attacking Social Security. We are not attacking Medicare.

Be that as it may, the last tax decreases in this country provided 300 changes to the Tax Code. If all of us on the Republican side and on the Democrat side go out and say, oh, we have decreased taxes, but at the same time, changed the Tax Code 300 times, what have we done? If we do that year after year after year, it is going to get impossible. In fact, that is where we are today. It is literally impossible to do our taxes.

We are starting the debate by saying, okay, let us do away with the Tax Code by 2002 and replace it with a sales tax or a flat tax or a combination thereof. What is wrong with that? If anybody is going to vote against this, they are voting against open discussion to have a new system. So how can anybody be against the idea of reforming.

In America, there are seven traits that make up all of us because we are an American; and one of them is we like choice, and the other is we like reform. We are willing to change things. We are not satisfied with the status quo. We are always trying to improve.

A third thing is we are impatient as Americans. We believe there is a better way. So what we are doing this afternoon is we are saying there is a better way for America to pay their taxes.

Secondly, we think we can reform the system we have, and let us make the decision, the choice if you will, now to eliminate the Tax Code and get the discussion going.

The SPEAKER pro tempore (Mr. EVERETT). The gentleman from New York (Mr. RANGEL) has 9 minutes remaining. The gentleman from Kentucky (Mr. BUNNING) has 14 minutes remaining.

Mr. BUNNING. Mr. Speaker, I yield 1 minute to the gentleman from Utah (Mr. CANNON).

Mr. CANNON. Mr. Speaker, I rise today to express my support of H.R. 3097, the Tax Code Termination Act. In 1996, during my campaign, I pledged, like many of you, to reduce the tax burden on the American family. This legislation is a step in that direction.

The current Tax Code puts an onerous burden on every American family. It is complex, confusing, corrupt, costly, and coercive. Americans work nearly 5 months of the year, until May 10, just to pay their Federal tax bill.

We are taking a first step today to reduce this burden. This bill sets a clear direction, a direction toward reforming by triggering a national discussion. A deadline will work wonders in focusing the energy of the American people, Congress, and the President on real tax reform.

The national debate is the only real hope of transforming the IRS code to a clear, unimplemented, and fair Tax Code. The American people deserve this debate. It is our job to start this debate with clear action by sunsetting the Tax Code today.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, here we go again. I rise in strong support of responsible, credible tax reform. But H.R. 3097 is not about tax reform. It is an effort to take up our time with a meaningless political statement designed for a 20-second sound bite.

I believe that Congress should begin to roll up its sleeves and begin to work on serious tax reform. We should have done it last year, the year before, the year before that; 4 years we have had.

The same people that talk about the need, and I agree on this, we need to change our Tax Code and encourage savings and investment. Above all, we need to be careful that tax reform is handled responsibly to ensure that we do not jeopardize the economic expansion that we are now enjoying.

The House will have an opportunity to express its support for responsible, credible tax reform by voting for the Rangel-Boyd-Tanner motion to recommit.

□ 1430

It is irresponsible to pass legislation that will require future Congresses to establish a new Tax Code without knowing how the new Tax Code will affect taxpayers.

A businessman trying to decide whether or not to make a new investment for the next 4 years is going to deal with tremendous uncertainty. A community considering issuing a tax exempt bond, again, uncertainty. Businesses deciding what type of health insurance or pension, uncertainty. Families who want to purchase a new home, uncertainty. Farmers and ranchers will not know how the new Tax Code will treat the sale of their land and other assets. Uncertainty. Why not deal with certainty? Why not have the debate about how we do these things before. That is what the motion to recommit is all about.

Before I commit to supporting a new Tax Code, I need to know how it will treat farmers and ranchers, how it will treat the oil and gas industry, how it will treat small businesses who are now trying to compete in an international marketplace. I need to know how it will treat the average man and woman in my district before I vote to do away with the Tax Code, as politically appealing as that might be.

This legislation is another example of the fiscal recklessness of the Republican leadership. Just last month the chairman of the Committee on the Budget was quoted widely saying, ''Balancing the budget was never our goal.'' Recently, the chairman of the Committee on Ways and Means issued a press release expressing grave concern that we are running surpluses that allow us to pay down the debt. Last week the leadership tried to intimidate CBO to change their estimates to fit the Republican agenda.

A vote against this resolution says that the American people, get this, a vote against this resolution says the American people want proof up front what we are talking about doing, not endless political promises. If my colleagues are willing to jeopardize the growing strength of the economy and balanced budget plan in order to make a political statement, vote for this resolution. However, if my colleagues want Congress to begin serious work on responsible, credible tax reform, vote for the Rangel-Boyd-Tanner motion to recommit.

Mr. BUNNING. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. PAXON), a coauthor of this legislation.

Mr. PAXON. Mr. Speaker, about a year ago I was holding a town meeting outside of Rochester, New York, and as I often do, I talked about our agenda.

And a major part of my agenda is ending the tax system as we know it, replacing it with a fairer system, whether it is a national sales tax or a flat rate income tax or some other system. And I made that comment and a constituent raised his hand and said, ''Paxon, I have heard you talk about this for years. I have heard your colleagues in Congress on both sides of the aisle talk about fundamental tax reform for years. Why don't you stop talking about it and do it. Put in a bill that ends this system so we believe you are serious for a change.''

As a result of that, I put forward my piece of legislation last fall that is designed to do one thing above all others: End the skepticism of the American people; make it clear we are serious about tax reform that does not just make the code more complicated, complex and taxes higher, but involves the American people for a change by making it clear where this code is going so they can step forward and be involved in the process.

Now, we are hearing a lot today across the aisle from our colleagues in the other party who say, why do we not just bring it up, bring to the floor today our bill, put it before this Congress and vote on it. My colleagues, that is exactly the thing that contributes to the skepticism of the American people. For years that is exactly what the former majority party in this Congress did time and time again; in the dead of night bring forth a bill that ended up raising taxes, all in the guise of tax relief and reform.

We do not want to contribute to that skepticism. Our goal is to end the cynicism of the American people in the way the process works, to open this process to the American people, to say 4 years from now the current Tax Code ends; that the American people should come forward, get ahold of their Congressman or their Congresswoman or their United States Senator and tell them what they think. We allow two elections to intervene so that the American people can find out how their representatives really feel about this issue.

What might happen, my colleagues, is that something amazing may actually occur. A citizen may well come forward with an idea nobody in this Congress has ever thought of before, an idea that may be revolutionary and be able to be put in place to replace the current tax system.

Now, our friends on the other side of the aisle also make the argument that this will fundamentally ruin the markets; that it creates uncertainty. That is nonsense. Uncertainty? Every single time this Congress meets there is uncertainty. Any day Members of Congress walk to the floor and put in a piece of legislation it can create uncertainty. And, yes, it does create uncertainty. In 1986, it destroyed the real estate market. Other tax relief bills down the years have changed fundamentally the way people have paid their taxes and changed the way investments were made.

We are doing something different, we are saying 4 years from now we intend to make a change that will help the economy of this country. The people will have a voice. It will not just be done in the cloakrooms and the back rooms of Washington, D.C., where only the special interests will have a voice in what happens.

We also heard this same argument when the Republicans put forth for years balancing our Nation's budget. We heard not only in this Chamber but from the White House that balancing the budget will create uncertainty in the markets. They have to be able to have deficit spending, and it will be harmful to our economy. Ultimately, the President signed our bill because we proved that if we are serious and involve the American people in a dialogue, there is not uncertainty nor is there skepticism. It lifts this Nation, working together, moving this Nation forward.

Today, the Tax Code Termination Act, I believe, will be one of the most historic votes this House of Representatives will ever cast. It is turning on its head the system where for years and years only a few insiders, working in the dead of night, could impact on our tax system and on our legislative process. It will ultimately result in the end of the 5.5 million word Tax Code. It will end the authority of 113,000 nameless, faceless bureaucrats. And, yes, frankly, it will end the meddling of 535 people in Congress and a President in a tax system.

Right now it is so complex and confusing, that any time this Congress meets and plays with it, the results are so uncertain most Americans have to go out and hire someone. Fifty percent today hire somebody to help them do their taxes, and then, at the end of it, they do not really know what the Congress did to them. If this code is replaced with a fairer system the American people design, I believe it will be done in such a way that it will be impossible for Congress to play those dead-of-night games. Very, very, very much more difficult for Congress to raise taxes, because the American people understand directly and dramatically how it impacts on their budgets and on their families. And, most importantly, as I mentioned before, it will allow the American people an historic level of involvement in this system.

Now, I find it fascinating, as I travel around this country, and I have been in 65 congressional districts in the past months talking about this and listening to folks about this, that I find unbelievable acceptance, Republicans and Democrats and independents, everywhere I go, and my colleagues I talk to say the same thing. Yet here in this chamber and in Washington, oh, there are folks that are nervous. Of course they are, because we are changing the equation, giving the American people a chance to make history.

My colleagues, I think this is an historic day. I know that the American people will be pleased when they see us move on this legislation. I urge my colleagues to vote with us in support of the Tax Code Termination Act.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, today is a shameful day. This body used to be called the most deliberative legislative body in the world. It has deteriorated, in my judgment. It has degenerated into an arena primarily for political posturing. That is all this bill is about. It is not a serious bill. It is not taken seriously by serious individuals. It is pure political demagoguery.

What does this bill do? It does not reform the Tax Code, it terminates the Tax Code. The Tax Code raises the revenues for the conduct of government. If we terminate the Tax Code with nothing in its place, we strike a dagger at the heart of government. Government cannot function. We are not, therefore, talking about reform of the Tax Code or reform of government, we are talking about the termination of the Tax Code with a date certain when nothing else is in its place.

What would that mean for certain? Nobody would know what would happen during that period of time. We know we would be pulling the foundation out from under our domestic economy. And the domestic economy of the United States is the foundation for the international economy. And my colleagues would play games with that? This is not a responsible approach. This is the height of irresponsibility.

If we can improve the Tax Code, let us come in with the specific improvements. If there are reforms, let us consider them. If there are alternatives, let us consider them. If we want to make termination of the income Tax Code effective only with the effective date of an alternative, that is a different story. But we are not doing that.

The only solace we have is everyone in the world knows this will never become law; that this is simply a political ploy.

Mr. Speaker, I am concerned by today's childish political ploy. If anyone is truly serious about tax code reform, they would have a serious alternative to offer. But they offer no alternative for two reasons. First, they have no better alternative, and second, they know this bill simply terminating the income tax, without the necessity of an alternative being in place, will not become law.

Let's consider for a moment, however, the consequences of this bill if it did become law. Our entire economy, indeed our society, is built on the provisions of the tax code. This bill would pull the very foundation out from under our economy, and have profoundly damaging—in fact, devastating—domestic and international repercussions.

Private savings and investment would be devastated because neither individuals nor businesses would want to make investments that may not be tax-advantaged in the future. Financial markets would be thrown into chaos,

and interest rates would skyrocket because lenders would have no assurance whatsoever that the government would not default on its debt. Maybe this is why private business organizations such as the National Association of Manufacturers, the Mortgage Bankers Association, and National Small Business United all strongly oppose this bill, and why the Chief Economist at the U.S. Chamber of Commerce called it ''more than a little dangerous.''

In fact, every security on which American families depend is threatened by this bill. Their health insurance. Their pensions. Even their jobs. Employers' deductions for offering their employees health insurance would be in jeopardy, and over 165 million Americans are covered by employer-provided health benefits. The retirement benefits of 60 million Americans who have tax-preferred IRAs or employee retirement plans would be at risk. And rising interest rates and slowed investments would slow the economy, forcing many employers to downsize.

So this is not a pro-taxpayer bill. Taxpayers want answers and solutions, and this bill gives them neither. This bill is pure, total, unadulterated political gimmickry. It has nothing to do with an adult, responsible approach to legislating. It is either child's play or dangerous demagoguery—or, more likely, a combination of both.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership on this issue and so many other issues important to our State of New York.

I believe it is very fair to say that none of us enjoys paying taxes. But instead of having an honest debate about the Tax Code, the Republican leadership has presented us with irresponsible election year pandering.

This bill brings dangerous uncertainty to the American economy, which has been so successful for the past 6 years, while it puts off the real work of determining what the Tax Code should look like to two Congresses in the future, the summer of the year 2002. That is right, the Republicans are saying let us take credit now for something someone else will have to work on 3 years from now.

I am certainly in support of an honest debate about the Tax Code, but an honest debate means that a real alternative is on the table. If we could consider the national sales tax or the flat tax that the Republicans have been proposing, then we could have a debate on the merits. But, instead, the majority appears to be afraid of a debate on the merits and has before us an election year pandering proposal.

I urge a ''no'' vote and a ''yes'' for Rangel-Boyd-Tanner.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, this is a risky tax scheme cloaked in a sound bite that could jeopardize our strong economy.

Two weeks ago the Gingrich Republicans tried unsuccessfully to amend the Bill of Rights, our first amendment, after less than 17 days of committee hearings. Today, the Republican leadership wants to pass a bill to repeal the entire Tax Code without even having 1 hour of committee hearings. The pattern is clear: Gingrich Republicans seem more interested in sound bites than in sound public policy.

This irresponsible approach to the serious business of governing our Nation was captured by the gentleman from Georgia (Mr. LINDER), head of the Republican Congressional Campaign Committee, in his recent memo to Republican House Members. He said this, and I quote: ''Write the 60-second commercial we want to run the last week of the campaign, then focus the rest of the year aiming toward it.''

Mr. Speaker, the American people are hungry for more than just meaningless sound bites. They want meaningful reforms on health care, education, and campaign finance. Let us kill this bill, which should be called the Full Employment Act for D.C. Tax Lobbyists.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

If this is really the best campaign gimmick the majority can come up with, we are not in as bad a shape as I thought we were. I think it is shameful that we should try to play a hoax on the American people and have them believe that we are going to throw away the Tax Code that the Republicans helped to complicate. And they keep throwing all those papers there that they added 800 pages to it.

People used to say that we have to live with death and taxes. Republicans say, no, they can eliminate taxes. And soon, before the election, they may eliminate death. I do not know.

It was interesting to see how my friend, the gentleman from Kentucky (Mr. BUNNING), explained why in 3 years the majority party just could not pass a meaningful bill, because Mr. Bill Clinton is in the White House. Well, let me say once again, Mr. Bill Clinton is in the White House now and will be in the White House next year and will be in the White House the year after that. It seems to me that if the distinguished Hall of Famer makes sense in terms of saying that the President has prevented them from legislating for 3 years, I do not know what in God's name would make him think that the President is going to yield to him in the next 2 years.

In any event, I think what we are saying is that there is going to be a vacuum as to where do we stand in taxes. And one of the Republicans took the well and said it was something like the Boston Tea Party and that we had to be revolutionary about this. The other side really knows how to be revolutionary in terms of closing down the government. They did it once, and they got so good at it they went and did it again.

□ 1445

And so, maybe there is a lot of support for this type of way that they run government. If they do not like the tax system, say there are no taxes. If they do not like government, just close it on down.

Mr. BUNNING. Mr. Speaker, I yield myself 1 minute to respond to my good friend from New York and tell him that we will have a bill ready to go when the present occupancy of the White House is removed from the White House so that we can get the cooperation of the new President and work with him to make a bill that the American people have participated in and they have let their representatives know that the Tax Code that we presently have is unacceptable and that they are the defenders, my good friend from New York, are the defenders of the status quo and they want to keep the code and redistribute the income of their current people that they represent and make sure that their supporters are part of that Tax Code and they get that income and make sure that they continue to support that.

But we do not want to do that. We want to make sure that we have a new code and a new occupancy of the White House. As soon as we can get that done, we will have a code ready to go. And that is what the law that we have proposed says. The law, not a substitute for the law.

Mr. Speaker, I yield 7 minutes to my good friend, the gentleman from Oklahoma (Mr. LARGENT).

Mr. LARGENT. Mr. Speaker, let me first of all give my colleagues just a little brief history on how this came about and tell them that I am really saddened by the course of debate that we have had today.

I will tell my colleagues and confess freely to the gentleman from New York that the Tax Code and the problems that we have with the Tax Code today is not a Democrat problem, it is not a Republican problem, it is everybody's problem. It is an American problem and we need to address it, and that is what the Tax Code Termination Act is attempting to do.

I would tell the gentleman and all of my colleagues in the House that the very first person that I went to after we wrote this bill was a Democrat, was Senator JOHN BREAUX in the Senate, and I told him about this idea and asked for his support.

One of the next people that I went to was the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader, and asked him for his support. I had read his comments out on the campaign trail where he was talking about, and these are his quotes, ''Decades of toying and tinkering at the margins have only made the problem worse. And I have concluded that the only way to fix everything is to replace everything, to overhaul the entire system from top to bottom.''

That is what Congressman GEPHARDT said. So I thought, surely, he would support this measure. That is what he is saying on the campaign trail, that we need to abolish the Tax Code.

I personally feel soiled as a result of the debate and the rhetoric and the condemnation that has been displayed on the House floor today. I have been called a lot of things before in my life, but I have never been called irresponsible. And I do not believe that I am, and I do not believe that this legislation is.

The thing that really puzzles me is how when the gentleman from Missouri (Mr. GEPHARDT) goes on the President's campaign trail and talks about pulling the Tax Code out by the roots, those are his words, how come it is responsible when he says it, but when I say it, it is ''irresponsible,'' it is ''irrational,'' ''the stupidest idea that has ever been introduced to Congress in 10 years.'' Those were some of the quotes. I do not understand that.

Why is it that when the gentleman from Missouri (Mr. GEPHARDT) says abolish the Tax Code it is not a dumb idea, it is responsible, but when I say it, it is irresponsible? They cannot have it both ways.

Let me say another thing. I am positive that there is no member of the Committee on Ways and Means that has ever read the entire Tax Code. And we heard from a lot of them here. I guarantee my colleagues, there is not a member on either side that has ever read all the pages of the Tax Code. And I understand that. I have not either. I do not plan to. I do not know any of America that has ever read the entire Tax Code.

But let me tell my colleagues about the Tax Code Termination Act. It is a page and a half long. I am pretty sure that most Members of Congress can get through a page and a half of the Tax Code. But the problem is that we have not read it, at least according to a lot of the debate that has been heard on this side tonight.

Because what has been said is what we are talking about doing is abolishing the Tax Code, throwing us into a vacuum, jeopardizing the economy. Not true. Read the bill. It is a page and a half long. I am confident my colleagues can get through it. It is very simple. It is written in plain English.

What it says is that we will replace the Tax Code 6 months prior to the sunset provision. So, in other words, we replace the Tax Code, then we sunset the old code. Let me make that point again because I am sure that most Members did not get that. We replace the Tax Code and we take 4 years to get there.

I am pretty sure if we get the best minds in Congress and the best minds in the business community and the best minds in academia that we can do something comprehensive that will be simple, that will be fair, that will be a lot better than what we have got right now. I am sure we can do that in 4 years.

I know we can do better than what we have got. We can come up with a system that is more fair, that is more simple than what we have currently. And that is the idea behind the Tax Code Termination Act. Again, replace, sunset. In that order. Replace, then sunset. No vacuum. No jeopardy.

Another comment that has been made several times is the threat to the economy. Let me just tell my colleagues that one of the strongest proponents of this legislation is the small business guy. They ask, why would small business be in favor of getting rid of the Tax Code that many believe is so beneficial to the small business guy? Why would they be wanting to get rid of it? Because it is not fair.

The fact is that an average small business guy ends up paying more to file his tax return and the various other forms to the IRS Tax Code, he spends more to do that than he actually owes in taxes. He spends more time complying to the Tax Code and spends more money than he actually owes in taxes.

This is stifling the small businessman. And understand that the small business guy in everybody's district creates about 80 percent of all jobs in this country. So the business community is not threatened by the Tax Code Termination Act. They are begging for it. And so are the American people.

Let me say that I understand why people are scared. Because, like I said earlier, nobody likes to be forced to do anything. And I can tell why Members of this House are scared, as well. Because this is one of those pivotal and rare votes that separates the sheep from the goats. It separates the wheat from the tare. It separates the hypocrites from those who really are serious about doing what is right and replacing the Tax Code.

Because either they are for this and for comprehensive tax reform and doing it sooner, not later, or else they just want to get an applause line at political functions and rail on the IRS, even though it was Congress that created the Tax Code, and get an applause line, knowing that they are really never going to do anything about it. This bill forces us to do something about it.

Let me say, one other thing is that there have been many that have come up and said that in our economy that is strong, no question about it today, that the real heartbeat of our economy and the reason it is doing so well and the reason that we have prospered in this country is not because of the hard work of men and women, not because of the creative genius of the business community in this country, not because we advocate free enterprize in this country and free trade and that we are engaged globally, but because of the Tax Code, that is the real heartbeat of the economy. That is not true.

I urge everyone, if they really are for tax reform, if they really want to do it, vote for the Tax Code Termination Act.

Mr. FAZIO of California. Mr. Speaker, I rise today in exception to H.R. 3097, the Tax Code Termination Act. This bill represents the Speaker and Republican leadership taking a huge gamble with the future and dreams of all American people of average income, state and local governments needing to raise capital, and homeowners. While this proposal offers an interesting challenge, the uncertainty surrounding the bill could cripple our economy that is just now standing on its own.

This bill is purely and simply a political ploy for the upcoming election. Unfortunately it is not even a good one.

Republicans claim they want a ''national debate culminating in sweeping reform.'' If they truly wanted an open debate on tax reform then why was this bill never discussed in committee? Why have no hearings ever been held on this bill? Why not bring their reform ideas to the floor right now?

The truth is that they do not want to discuss the details of these issues, details like: their proposals for a new tax system will tax working families at a higher rate than they are paying now and that the people that get the biggest tax breaks are the ones who need it the least, the rich. I would be more than happy to engage in a national debate on real tax reform, so that we can discuss some of our comprehensive tax reform that is more efficient, fairer and less intrusive.

Since this bill only uproots the current tax system and does not enact reform, it puts the whole country in a state of chaos. Small businesses and investors would be faced with substantial uncertainty when making decisions as to whether or not to make an investment in their future prosperity. Homeowners and people contemplating a new home purchase would not know if they could count on the home mortgage deduction, nor whether the value of that home would be adversely affected by whatever new tax plan is eventually put in place.

Some of the hardest hit by this bill would be state and local governments who depend on tax-exempt borrowing to finance repairs of schools, building new roads, and other improvements which spur economic development in depressed areas. Investors would shy away from low interest rates on tax-exempt bonds if there is even the slightest fear that the income tax would be repealed in the future.

If we do this right, there will come a day when we can sunset the current tax system and replace it with a simpler one. But today's debate is not about what achieving a simplified tax code.

Just think about it. If we scuttle the code and this will put Speaker GINGRICH in charge of writing out a new one. This is the same Speaker GINGRICH who in his first week as Speaker came up with a plan to slash $300 billion from Medicare to pay for bigger tax breaks for the wealthy.

We need to deal with tax reform responsibly. Not pass gimmicks that will do nothing to reform the system and has troubling consequences for the future. The American people deserve more than what this bill has to offer. I hope my colleagues will join me in saying ''NO'' to Speaker GINGRICH and ''NO'' to this bill.

Mr. POMEROY. Mr. Speaker, I rise in opposition to the Tax Code Elimination Act.

I strongly support reforming the nation's tax code to make it fairer, simpler, and less burdensome on the American people. Unfortunately, rather than advancing a constructive tax reform measure, the leadership has proposed a political gimmick—a bill to terminate

the tax code without saying what sort of system should replace it. This bill is not only the height of political cynicism, but if enacted, it could have devastating consequences for American families, farmers, and businesses.

During my tenure in Congress, I have worked to encourage employers to offer health and pension benefits to working families by providing adequate tax incentives and cutting unnecessary red tape. Under this bill, employers would freeze health and retirement benefits until the tax treatment of these benefit costs was determined. In fact, employers might even reduce benefits as a hedge against Congress deciding not to extend the tax deductibility of employee benefits. Likewise, the value of American homes would be adversely impacted as the real estate market would wait to see whether Congress would continue the mortgage interest deduction.

For farmers, the consequences would be even more severe. On the Upper Great Plains, farmers are already struggling with low market prices, devastating crop disease, and adverse growing conditions. Even with the best financial planning and management, many farmers are finding it nearly impossible to make ends meet. Farming is, by nature, a highly risky proposition. Added uncertainty about the deductibility of interest on operating loans, equipment and land, would move farming from risky to almost foolhardy.

I believe that North Dakotans want fundamental tax reform. However, they're unwilling to buy a ''pig and a poke,'' especially when it relates to taxes. They want to see what system is being proposed as a replacement before simply terminating the code and turning giving a blank check to Congress.

Mr. COYNE. Mr. Speaker, too little is known about the effects that this legislation would have on the U.S. economy. This bill as amended would eliminate the Internal Revenue Code by December 31, 2002, except for Social Security, Medicare and Railroad Retirement taxes. The bill would also give Congress until July 4, 2002, to devise a new tax system, while providing only the most general guidance as to what would replace it. What this bill does not do is specify what will replace the current system, once we eliminate those taxes that raise most of the government's revenue.

In Fiscal Year 1997, the U.S. tax system raised $1.57 trillion in tax revenue from all sources. In one stroke, this bill would eliminate the individual and corporate income tax and all excise taxes, which constitute almost two-thirds of the federal government's revenues. Astonishing as it may seem, it would do so without providing any specific alternative except for a simple deadline requiring that the new tax system be in place four years from now.

We have worked on a bipartisan basis on the House Ways and Means Committee and on the IRS Restructuring Commission to advance solutions to the difficulties that many Americans experience in complying with the tax law. We have worked constantly to simplify the tax code, to eliminate unnecessary regulations and paperwork, and to improve IRS taxpayer service. We have made great strides toward these objectives by passing such important legislation as the Taxpayer Bill of Rights 1 and 2. This year, we hope to make additional progress when we complete the IRS restructuring and reform bill.

Our efforts in simplifying the tax code and streamlining IRS administration have not been easy. However, we have, in a bipartisan manner, engaged in thoughtful discussion and analysis of the specific problems facing taxpayers and the IRS. This debate has necessarily factored in the complexity of the tax code. In these efforts, most participants have come to realize that the complexity of the tax code is only one part of the problem, and most agree that Congress should always strive to simplify the Internal Revenue Code wherever possible. But, we should not lose sight of the fact that tax simplification is a goal that must be weighed against other important considerations, such as ensuring that the tax law is fair to all Americans. Provisions of the tax code also provide opportunity for millions of Americans through the earned income tax credit, the HOPE Scholarship, the expanded IRA, and the like.

To date, our efforts have focussed on identifying specific, realistic proposals to solve the problems facing average taxpayers and the IRS. However, unless and until we agree upon a new tax system, we must first fix the problems with the current system by advancing specific solutions such as the IRS restructuring and reform legislation. This is relief that is available now for the American taxpayer, not four years from now. If we then consider fundamental tax reform, our approach should first clearly identify a specific replacement which meets such important criteria as fairness, efficiency and administrability.

Finally, we must also consider this bill's potential adverse effects on the U.S. economy. One of the most important perceptions that a government must project to its citizens is that of consistency and predictability in its tax policies. Given the magnitude of this change, this bill would throw into doubt for four years the basic fiscal mechanisms of the U.S. government. While Congress debates, countless individual and corporate economic decisions would be deferred while the nation awaits the result.

At the individual level, we need to anticipate this bill's effect on the ability of taxpayers to plan for their financial security. Consider the effects of abolishing some of the most widely-used tax provisions, such as the mortgage interest and property tax deductions. How will average homeowners react when they realize, according to a DRI/McGraw-Hill study, that their house may now be worth 15 percent less, or $22,500 dollars on a $150,000 home, because they can't take these deductions. Since this is usually their most valuable asset, how will this affect their ability to plan for their financial future, and how will it affect their current spending? What will be the reaction of financial institutions, and the secondary mortgage markets, when they realize that millions of homes upon which they have written mortgages have just decreased in value?

What will happen to charitable giving if we abolish this deduction under the bill? While Americans lose a tax break, they also lose a significant incentive to give more to charitable causes, and now may give less. If millions of taxpayers contribute less to charity, what will happen to the many socially beneficial activities, such as caring for the nation's needy, that these charitable institutions perform on a daily basis? A weakening of these institutions could unfavorably affect millions of Americans, with no guarantee that the federal, state or local government would fill the void.

These are only a few tax provisions, but look at the effect that they would have on the nation if we eliminate them with no specific alternative or sensible transition relief. This bill's fundamental problem is that we do not really know how it would affect the economy and average Americans, while most would agree that there is significant potential for short-term disruption.

Mr. Speaker, do we really want to gamble with the financial security of millions of Americans, the health of the U.S. economy, and the stability of the U.S. government by abolishing the tax code without first providing a specific alternative? As much as we want to simplify the tax code and reduce the presence of the IRS in our lives, I do not think that this legislation provides an acceptable, responsible solution.

Ms. DEGETTE. Mr. Speaker, I rise today in opposition to H.R. 3097, the ''Tax Code Termination Act.'' This ill-conceived legislation would terminate the entire federal tax code, except for those provisions that fund Social Security and Medicare, on December 31, 2002. It also requires Congress to enact a new tax code by July 4, 2002, six months before the current tax code would end.

It is undeniable that our federal tax code is complex. Yet, throwing out the entire system will not simplify matters. Eliminating the current tax system with no viable alternative in place will only send this country's economy into utter chaos. If this bill is enacted into law, all financial activity in this country could very well stop because no one would know the tax status of their investments, purchases, mortgages or savings accounts until July 4, 2002.

I would welcome a serious debate on real comprehensive tax reform, but what is before us today is simply a political gimmick and certainly not real reform. This bill raises a multitude of questions but provides no answers.

Mr. VENTO. Mr. Speaker, as President Reagan said, ''Here you go again.'' Once again the Republican majority party is demonstrating how out of touch it is with the American people. In 1993, the American people sent a message to Congress that they wanted the budget deficit reduced. It was a straight forward message, easily understandable and a demand to which Congress responded. The Democratic controlled Congress, working with President Clinton and without a single Republican vote, made the tough decisions and put in place the foundation for today's strong economy and this year's budget surplus.

In 1995, the new Republican Majority took charge with this sound Democratic economic plan in place. But instead of working with the Clinton Administration to develop a rational budget plan to move forward with deficit reduction, the GOP majority sought to undermine the real progress that had been made. Instead of the responsible policy course, the majority party chose slogans over substance in 1995–96. The GOP to save money, just shut down the entire federal government, they said. Ignore the consequences of this irresponsible action they urged. As a result, they held the American people hostage over their radical demands.

One would assume that the leadership would have learned a lesson from this 95–96 public policy and political disaster. But no. Today, in a massive misreading of what the American people really want, this legislation is offered. The Majority party believes that the public is so mad at the IRS that they are blind

to the fact that the Republicans do not have an answer, that all they want to do is to vote to scrap the tax code and pray that things work out. This action also abolishes the financial certainty that individuals, families and businesses rely upon to make investments and to plan for their future.

With this bill, the family home mortgage interest and charitable contribution deductions are eliminated. The new child credit and incentives to save for college are wiped out. At a time when Congress is telling the American people to assume greater responsibility for their retirement planning, this Republican proposal will repeal the basic rules upon which the American taxpayer must comply. No. IRA. No 401K. Just a vacuum awaiting some future Congressional action to solve the problem that this Congress is creating putting the American people into today.

And that is just the individual side of the tax code. For businesses, decisions on expansion, the installation of new equipment, and personnel matters will be clouded by this legislation. Future plans will be put on hold, until Congress provides the public with some answers. The end result would be uncertainty and no predictability. This would be bad for the economy and bad policy.

Instead of providing individuals and businesses with the answers and certainty that are needed, this legislation leaves a huge hole in our economic foundation with a billboard announcing: ''Under construction—check back in 2002 for details.'' Ironically with the backlog of policy issues not just regards tax policy, but the budget appropriation and it's a rare program these past four years that has been reauthorized. The Republican Majority plans through this bill to junk and destroy tax law.

This Republican-led economic self-destruction is not what the American people want. They do not want their entire financial life to be a pawn in a political consultants' media game. They want Congress to go to work and do its job. The American taxpayer does not want their home mortgage interest deduction eliminated, the exemption on their home sale loss, or their entire retirement plan thrown into an economic limbo for Republican or Democratic political gain. They do not want the very tax breaks that many of us hailed in 1997 to be eliminated in 1998!

What the American people want is true tax simplification. This is an issue we could agree upon and enact this Congress rather than the hollow promises in this legislation. Today, it takes too long for the average taxpayer to file their taxes. In fact, the American taxpayer is taxed twice. Not only do we pay our taxes, but our time is taxed as well. At this time of year, instead of spending time with our families, working around the home, or just taking a break, we spend hour after hour punching numbers into a calculator, trying to decipher IRS directions and tables, and searching through our financial records to find that last receipt for a charitable contribution that we made.

According to the IRS, this annual spring exercise will take the average taxpayer 15 hours and 47 minutes to prepare and file a typical tax return (Form 1040 and Schedules A and B). Add in other forms, such as Schedule C, the business profit and loss schedule, and the total time for tax compliance can be in excess of 30 hours.

Congress should address those issues now instead of this tax code repeal political gimmick. Earlier this year, I introduced the ''10 for 60'' Resolution. My resolution directs the Internal Revenue Service and Congress to begin this year the process of cutting in half the time that it takes the average taxpayer to file their tax returns. As the first step, the ''10 for 60'' Resolution calls for 10 changes in law or regulation this year to cut 60 minutes from tax preparation time. The ''10 for 60'' Resolution intends that these proposals should be revenue neutral and should focus on changes that benefit as large a group of taxpayers as possible. This proposal may not have the shock value of scrapping the whole tax code, but ''10 for 60'' will respond to the call for true simplification now.

There are plenty of examples of ways that we can simplify tax code now. The mileage deduction was intended to help not only those with business expenses, but individuals with medical, charitable and moving travel costs. However, the tax code contains three separate reimbursement rates for travel. Why should a taxpayer be required to keep three separate records for using the same car?

The Earned Income Tax Credit (EITC), designed to help low income families and reward work, is good policy. In fact, an analysis by the non-partisan Center on Budget and Policy Priorities, reveals that the EITC ''lifts more children out of poverty than any other government program.'' Yet, this single credit has been changed twelve times in the past 20 years. The credit contains nine eligibility standards and could require one checklist, two worksheets, one schedule and a normal 1040 to complete.

Congress should focus on what the taxpayers really need—true tax simplification. Concrete proposals already exist to simplify the existing tax code with minimal revenue changes. The House included in the IRS Restructuring and Reform Act the requirement that any new tax legislation include a complexity analysis before enactment. Why not apply such an analysis to existing provisions of law?

Tax simplification this year is an achievable goal but not if Congress gets bogged down in debating unrealistic gimmicks and proposals to abolish the tax code or initiate other radical changes. These are Trojan horses being advanced as tax simplification. It is time to address real tax simplification as more than a rhetorical tool and to make it a policy priority. My ''10 for 60'' resolution places the American taxpayer, not politics, first by focusing on real, attainable tax simplification for this year. My resolution gives everyone something they need more of—time.

I urge my Colleagues to join with me in rejecting this political document and instead, make tax simplification a reality in 1998. It is time to get something positive done. Congress needs to get to work on good policy. That is the best politics. There is plenty to do, the majority leadership need not invent issues like H.R. 3097 to distract Congress or the American people from the real issues which are here and waiting for action!

Mr. CASTLE. Mr. Speaker, like everyone, I am severely distressed about the complexity of the tax code and the high rate of taxes. As a nation, each year we spend 5.2 billion hours complying with and enforcing the tax code. That is more hours than the Department of Defense spends defending the nation.

My first instinct when I hear statistics like this is to tear the tax code up by its roots and replace it with a simplified system. However, the plain facts are that in our complex, hi-tech global economy, such a move would introduce tremendous uncertainty into our markets and threaten the sustained prosperity this nation is enjoying. Unemployment is at its lowest rate in 28 years, 16 million new jobs have been created, and CBO projects that we will have a budget surplus for the first time since 1969.

The simple fact is that businesses, families, and charities need to plan. Without a tax code in place, families looking to buy homes based upon the tax advantages of the home mortgage deduction would hold off their purchase thus crippling the housing market. Family health insurance would be threatened because the tax status of employer-provided health benefits would be uncertain. Businesses rely on various tax credits to give them the incentive to invest in research and development, to engage in environmentally sound behavior, and to overcome various market failures. Scraping the tax code invites the return of those market failures and the inefficiencies that accompany them. Charities rely on $80 billion in deductible charitable contributions each year. Churches, synagogues, medical research institutes, colleges, universities, and relief organizations will all face tremendous uncertainty in their annual budgets without the incentive to donate in order to lower taxes.

In addition, there is no consensus that terminating the tax code without an alternative is a good idea. It is simply irresponsible for Congress to propose eliminating the tax code without a ready substitute. There are plenty of respected sources who have been advising Congress against this. Chief among them are our own constituents. The Republican National Committee reportedly found that most voters oppose the Act because they believe it will create dangerous economic risks. NFIB may have 500,000 signatures supporting the Act, but there are many more businessmen and there who oppose it. The US Chamber of Commerce polled their members and found significant division on whether the tax code should be terminated and which reform proposal should replace it. The National Association of Manufacturers opposes the Act. The tax directors from the 2,800 largest American corporations have said that ''individuals and businesses—the U.S. economy as a whole—cannot convert to a new system with the ease of flicking a light switch.''

Congress should stay on track with IRS reform and annual manageable tax cuts. Before the July 4th recess, Congress will likely vote to create a taxpayer friendly, accountable IRS. Federal and State governments are passing sensible tax cuts that promote investment and economic growth. This is a much better approach that scraping the code altogether and risk crippling the economy in the process. Let's work toward fundamental reform of the tax code, but do not throw out the tax code before we have a new one in sight.''

When I was a child and wanted to get something my way. I would argue to my mother that everyone else was doing it. She would respond, ''if everyone was jumping off a cliff with darkness below, would you jump just because everyone else was doing it? I would hope that Congress would not risk our economic prosperity by jumping off this cliff into darkness.

Mr. BEREUTER. Mr. Speaker, this Member opposes H.R. 3097, the Tax Code Termination

Act, both as introduced and in the form of the Manager's Amendment.

Before going into the reasoning behind this opposition, this Member would like to preface his comments by the following statement. This Member unequivocally believes that substantial but very careful reform is needed for the U.S. tax Code. Examples abound of inefficiencies and counterproductive elements of the Internal Revenue Code as it operates today. However, this Member opposes H.R. 3097 for the following four reasons:

(1) This Member does not think that we should delay decision-making as H.R. 3097 does. We need to decide today's issues today and not defer them to tomorrow.

(2) H.R. 3097 fails for its lack of precision. H.R. 3097, in its manager's amendment version, would sunset the current tax code effective December 31, 2002. It is certainly not legislatively wise to eliminate the tax code without an alternative to replace it with. If such major action should be taken as contemplated by H.R. 3097, a precise alternative of a federal tax system needs to be simultaneously discussed.

(3) This Member does not support this legislation because it could dramatically discourage investment as investors are faced with great uncertainty. If H.R. 3097 is passed, Americans will be in a state of great confusion and apprehension until a replacement tax code is enacted, which could be as late as December 31, 2002 (the manager's substitute amendment date). We are in June of 1998. It may be 4½ years until a new tax system is passed, if H.R. 3097 is adopted. Members of the House need to put themselves in the position of their constituents. For example, can a corporation make a prudent investment decision if they do not know what the tax consequences will be of that decision just a few years hence? No, they cannot. Will investors continue to be as ready to buy tax-exempt bonds if they are not sure whether this tax exempt status will continue?

Another example of the potentially very negative effects of H.R. 3097 concerns the mortgage interest deduction. A young family, who desires to purchase a home for the first time, will not know in the future if they can count on the mortgage interest deduction if H.R. 3097 is passed. In fact, this uncertainty may be enough to deter someone from purchasing a house until a replacement tax code is in place.

(4) H.R. 3097 would have a negative effect on state and local entities. For example, there would surely be a lack of confidence in private municipal bonds due to the uncertainty created by H.R. 3097. Certainly, local school districts could be adversely affected, along with most other varieties of local governmental bodies.

Mr. Speaker, for these four reasons just briefly described by limited available examples, this Member must oppose H.R. 3097. We need a fundamental reexamination of America's Federal tax code and it should begin now, but rash action like H.R. 3097 is most assuredly not the way to proceed. It would have a chilling effect upon our economy and cause greater difficulty in pubic and private decision-making. All that is lacking to begin such a comprehensive review and reform of our Federal system of taxation is the will or commitment to begin and the organizational and legislative skills to implement such changes. With such a narrow majority in this House, it will also take bipartisan cooperation and good will.

Mr. BLUMENAUER. Mr. Speaker, I have worked my entire life to improve the fairness of the tax code—first in Oregon and now as a member of the House of Representatives. I also know how politics work.

It is irresponsible to vote for a massive change without telling the American people how this will impact them. No one knows what would replace the current tax code—who is going to win, who is going to lose, and why. Improving the tax code is of critical importance and I welcome an open national discussion and full congressional debate on the merits of real proposals. However, I cannot support H.R. 3097.

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to this bill.

I agree with my colleagues that our tax code is far too complex, and that hard working middle class families are paying too much in taxes. In fact, the first bill I introduced as a member of Congress was the Middle Class Tax Relief Act. But this bill is not the solution.

But do you wonder why the sponsors of this bill are in such a hurry to eliminate the tax without saying what they would replace it with? They are pushing flat tax or sales tax systems that would reduce taxes for the wealthiest Americans, and raise them for the rest of us. Flat tax sounds easy, doesn't it? Only this tax medication is pure snake oil for the middle class.

According to the Treasury Department, under Mr. Armey's 17% flat tax, the typical middle-income family would see its federal taxes increase by about $1,500. By contrast, the richest 1% of taxpayers get an average tax cut of $44,000.

And if we adopted a sales tax instead, there would be a new 30% tax on everything you buy. A monthly prescription for a senior's blood pressure medication which currently costs around $110 would go up to $143. A $23 box of diapers would increase to $29.90. A pair of children's shoes which costs $20 would go up to $26. And who bears the brunt of this tax increase? Hard working middle class people.

This bill is also opposed by the business community. Business needs to know what the tax law will be so they can make informed and rational economic decisions. Ignorance about the tax consequences of investment decisions could have a crippling effect on the economy. That's why the National Association of Realtors, National Association of Manufacturers, Mortgage Bankers Association and National Small Business United have publicly opposed this proposal as irresponsible.

Finally, the Republican plan to scrap the code would also scrap the American Dream for millions of working families who depend on the mortgage interest deduction and the deduction for real property taxes to afford their home. Today, the average mortgage interest deduction for the 29 million Americans who have home mortgage expenses is almost $7,000.

I urge my colleagues to reject this radical proposal. Let's work together for the real tax reform.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise in support of H.R. 3097, the Tax Code Termination Act. America's income tax code is a heavy and complex burden for America's families and small businesses. The complete income tax code is, in fact, 3,400 pages long. No wonder so many Americans are fed up with the federal tax code and want Congress to enact a simpler tax code. This is a most reasonable request.

It's bad enough that the average family's taxes are too high. According to the Tax Foundation, forty percent of the average family's income goes to pay federal, state and local taxes. Mr. Speaker, this is much too high a tax burden. The American people should not have to work for the government and only get a sixty percent commission on their earnings. Congress should take steps this year to lower taxes so hard-working Americans can keep more of their paycheck for themselves and their families.

Nonetheless, sooner or later, Congress is going to have to overhaul the tax system completely, and put in place new tax laws which are easily understood and easy to comply with. Families and small businesses should not have to spend hundreds of dollars to hire lawyers and accountants to do their taxes. A newer and simpler tax code will save taxpayers time and money.

There a good debate in Congress these days about which type of new tax code is best. Some support a flat tax, which has its merits. Others support a national sales tax, an idea which also has its merits. No matter which one of these plans is enacted, everyone in this chamber should agree that the current tax code is broken and should be replaced. The climate in America is right for such a change, and there is a consensus in the country—especially in my home state of Oklahoma—that the current income tax code should be scrapped as soon as possible, and a new code put in its place. I rise today to support these efforts, Mr. Speaker, and I urge my colleagues to do the same.

Mr. HASTERT. Mr. Speaker, I rise in support of H.R. 2097, the Tax Code Termination Act. I am pleased to be a co-sponsor of this legislation which will sunset the current tax code effective December 31, 2002 and require that Congress enact a new code by July 4, 2002. It is time that this Congress began the effort to fundamentally reform the way government collects revenue.

Mr. Speaker: The reason I support this bill is simple: The current tax code is unfair, too complex, and too burdensome on America's families. The debate over the tax code is now becoming one on not whether it should be replaced, but how to do it. Whether it's a flat tax or a national sales tax, I believe that the federal income tax is economically destructive and that almost any alternative would be better than the status quo. I have been literally inundated by letters, calls, and emails from my constituents who are fed up with the unfairness and unnecessary complexity of our current tax code.

Mr. Speaker: Just consider these appalling statistics—the total tax burden on Americans is the highest ever, a whopping 31.7 percent of income. Not only are our taxes way too high, the size and complexity of the current code serve to compound the burden. Families and businesses spend over $225 billion per year to figure out how to comply with our federal tax code. What began, in 1913, as a one-page form, 14 pages of tax law and a top tax rate of just 7 percent has evolved into the unwieldy monster we know today. Consider this as well—the current tax code is seven million words! Lincoln's Gettysburg Address is only 269 words, and the Declaration of Independence a total 1,337 worlds.

Mr. Speaker, I have not made up my mind about the form a new tax system should take; but I am certain that no matter what replaces the current system it will undoubtedly be far superior. That is why passage of this bill is so important. Once Congress has determined that a change must occur—that the tax code will cease to exist on a date certain—one of the most important debates in the history of our great Nation can take place. In this clash of competing ideas, I am confident that we can come together on a new tax code that applies a single, low rate to all Americans, requires a supermajority of both chambers of Congress to raise new taxes, provides tax relief for working Americans, protects the rights of taxpayers and reduces tax collection abuses, eliminates the bias against savings and investment, and promotes economic growth, jobs, and opportunity.

Mr. Speaker, I am proud to be part of this historic effort today. Sunsetting the current tax code is a first step along the road to fundamental tax reform. I urge my colleagues to support this important legislation. A vote for this bill is a vote in favor of the American taxpayer and the American family.

Mr. GOODLATTE. Mr. Speaker, I rise today in support of H.R. 3097, the Tax Code Termination Act, offered by my good friend from Oklahoma, Mr. LARGENT. I want to commend the gentleman for offering this important legislation.

Mr. Speaker, our tax code is a seven million word monster that has simply grown out of control. Hard working Americans are being punished every day by a tax code that is complicated and confusing. It penalizes success, discourages growth and overburdens individuals and families.

Mr. Speaker, something's clearly wrong with our system when Money magazine asks 50 professional tax prepares to file a return for a fictional family and not one of them—not one out of fifty—came up with the same total, nor did any of the preparers calculate what Money magazine thought was the correct federal income tax. How can we expect the American people who are busy working and taking care of their families to sort through a tax code that is too complicated for professional tax preparers to figure out?

Something's wrong when Americans have to devote 5.4 billion hours each year just to comply with the tax code—that's more time than it takes to manufacture every car, truck and van made in the United States.

Something's wrong when the American people spend hundreds of billions of dollars each year to pay for tax lawyers, accountants, and other related expenses just to make sure they don't violate any of the seven thousand pages of burdensome IRS rules and regulations. That's money taken from the taxpayers' pockets that could be put toward retirement savings or invested to pay for the child's education.

The Tax Code Termination Act will force us to work together to develop a new system. By setting definite date when the current, abusive code is terminated, we will ensure that action is taken immediately to study new and innovative proposals to create a system that is simple and fair to every American.

Mr. Speaker, our system is broken. It's time to stand up for the American people and scrap this abusive tax code. It's time we take action and get this monster off the back of the American people once and for all.

I urge my colleagues to vote in favor of this important legislation.

Mr. ARCHER. Mr. Speaker, the issue before us today presents a simple question—whose side are you on?

Are you a defender of the unfair, complicated, high-tax status quo, or are you in favor of reform? If you support reform, then I urge you to join me in a bipartisan show of support for changing the code.

I support nothing less than pulling the code out by its roots and throwing it away so it never grows back. The current code is unfair, punitive, anti-growth, and anti-taxpayer. American workers today are caught in a tax trap. The longer they work, the harder they work, the more they pay.

I want to create a new code that says the more you spend, the more you pay. We need to stop punishing success in this country and start toward savings and hard work.

Mr. Speaker some have asked me why, if I feel so strongly about this, am I not passing a bill to create this new tax code today.

If I thought for a minute that President Clinton would join this Congress in pursuing a new tax code, we would today be voting on a replacement code instead of sunsetting the current code.

Unfortunately, President Clinton has given no sign that he will abandon his embrace of the tax status quo. As a result we are passing this measure to highlight the importance of this issue and to establish its proper place as a top priority in our national agenda.

Perhaps this vote will help the President to join with us next year in making the sunset a reality. I haven't given up hope and I urge the President to join with us.

Before I close, let me address the ''sky is falling'' opponents of this bill who claim uncertainty and havoc will be created in the marketplace as a result of this measure.

Mr. Speaker, the stock market today is up almost 200 points. If their doomsday predictions were right, the market would be in sharp decline. The markets, being smarter than politicians, recognize this measure for what it is.

It's a very powerful symbol of where we want to go. That's why I urge my friends in both parties to show that you want to take this nation in the right direction and that you don't support the failed status quo.

Join me in voting to sunset the code.

The SPEAKER pro tempore (Mr. EVERETT). All time for general debate has expired.

Pursuant to House Resolution 472, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RANGEL. Yes, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANGEL moves to recommit the bill H.R. 3097 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the enacting clause and insert the following:

SECTION 1. COMPREHENSIVE REFORM OF TAX CODE.

(a) DEADLINE.—It is the sense of Congress that comprehensive reform of the Tax Code should be enacted not later than April 15, 2001.

(b) PRINCIPLES.—Any comprehensive reform of the Tax Code shall be consistent with the following principles:

(1) Such reform shall be fiscally responsible and not endanger the Balanced Budget Agreement.

(2) Such reform shall be fair to all income classes.

(3) Such reform shall emphasize simplicity, thereby resulting in a Tax Code that is less complicated.

(4) Such reform shall promote economic growth by encouraging savings and investment.

(5) Such reform shall ensure adequate funding for the Social Security and Medicare Trust Funds, both for current beneficiaries and future beneficiaries.

(c) IMPLEMENTATION.—Not later than 30 days after the date of enactment of this Act, the Committee on Ways and Means of the House of Representatives should commence hearings on proposals for comprehensive tax reform. Such hearings should, at a minimum, involve an examination of the impact of current and prospective tax restructuring plans on—

(1) availability of employer-provided health care,

(2) employer pension plans,

(3) home ownership,

(4) charitable organizations,

(5) State and local governments, and

(6) farmers and other small businesses.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. RANGEL) is recognized for 5 minutes in support of his motion.

Mr. RANGEL. Mr. Speaker, under the rule, only one Member may offer the recommittal motion. But in the spirit of trying to have broad-based support for what we are going to do and to make certain that we did not have this frightening idea where the original legislation said that they should do the right thing by having a bill, we say they do not repeal it unless they do the right thing by having a bill.

But we Democrats all do not think alike; and, so, what we have done is try to work together now to see what we could work with so that if we were the majority, we would be able to come to the Republicans and say, what can we do as a Congress for the people of the United States, not what we can do for the Democratic Speaker.

Mr. Speaker, I yield to the gentleman from Florida (Mr. BOYD), my cosponsor.

Mr. BOYD. Mr. Speaker, I want to thank my friend the gentleman from New York (Mr. RANGEL) for allowing me this time to talk about this motion.

First of all, I want to say to my friend from Oklahoma (Mr. LARGENT) that I believe that his intentions are very good in trying to move this debate forward, in trying to develop something that serves this country better. I certainly do not question those intentions.

I spent the last couple hours watching on television, though, as Member after Member came to the podium; and, basically, it was a partisan shouting match, and that somewhat disappointed me that we carried it to that level.

My colleagues, we live in the greatest country in the world. Our economy is clicking at a rate that it has not clicked at for more than 50 years. Certainly, there is nothing perfect about our Tax Code, and I believe that it needs changing. But I think we ought to be very careful in the way that we change that.

I agree that the Tax Code needs to be reformed. There are some parts of the Tax Code, however, which provide real benefits to millions of taxpayers that will be thrown out if this bill is enacted. Any business owner knows there are many important decisions which are made, at least in part, because of the tax treatment those investments receive.

As a former State legislator, I am well aware of the important role municipal and State bonds play in funding new schools, roads, and other infrastructure construction. This bill could throw the bond market into chaos as municipal bondholders and State and local governments who offer those bonds will not know how the Tax Code will treat their investments after the year 2002.

Every day business owners make decisions based on the tax treatment of certain investments. Hiring new employees, purchasing new equipment, those are decisions which are influenced by the Tax Code. Upsetting the Tax Code could paralyze investment in new plants and equipment because business owners will be unwilling to hire new employees or build new manufacturing facilities because of the uncertainty this bill would create.

Under the current Tax Code, employers who provide insurance benefits to their employees receive 100 percent tax deduction. This bill would scrap that provision and cause many businesses to eliminate health insurance benefits for their employees.

Yesterday, the National Association of Manufacturers announced their opposition to this bill because it does not allow businesses to plan for the future.

□ 1500

Also, I heard earlier that the Chamber of Commerce had taken a position that they were going to score this in opposition to this but there may have been some calls from some very important Members of this body who have changed their mind. I am unclear at this point as we begin to take a vote on it whether that will be done.

It is clear that the vast majority of business owners realize sunsetting the Tax Code is an irresponsible move that will jeopardize our country's remarkable economic growth.

The motion to recommit before Members now seeks to address the problems in this bill and pushes the Committee on Ways and Means to do something it should have been doing for months, hold comprehensive hearings on reforming the Tax Code. H.R. 3097 states the obvious, that the current Tax Code needs to be reformed. Unfortunately, it leaves the hard work of developing a fair and understandable replacement to a future Congress.

I urge my colleagues to support the Rangel-Boyd-Tanner-Stenholm motion to recommit and send this bill back to the Committee on Ways and Means so we can get a responsible piece of legislation that addresses the needs of business owners and taxpayers.

Mr. RANGEL. Mr. Speaker, Members have heard how we have tried to come together and work together with the diversity that we have in the Democratic Party, in hoping that if we were going to have meaningful legislation, that no one party can do it, it takes Republicans and Democrats coming together and doing what is best for the American people, not just someone just singularly saying that they are going to deep-six the Code.

In our recommittal, we say that it has to be fiscally responsible. We do not want to have the reputation of closing down government. We say that it has to be fair. We say that it has to emphasize simplicity, and it has to encourage economic growth and competition.

We have certain things that we think are so important in the Tax Code that we hope that Members would vote for what the gentleman from Tennessee (Mr. TANNER) has contributed to, and that would be the Boyd-Tanner-Rangel-Stenholm recommittal motion.

The SPEAKER pro tempore (Mr. EVERETT). Is the gentleman from Kentucky (Mr. BUNNING) opposed to the motion?

Mr. BUNNING. Mr. Speaker, I am opposed to the motion.

The SPEAKER pro tempore. The gentleman from Kentucky is recognized for 5 minutes.

Mr. BUNNING. Mr. Speaker, I yield to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Kentucky for yielding.

Mr. Speaker, I rise in strong opposition to this motion to recommit, because I think it is a clever device to avoid the changes that are necessary.

The question here is very simple: Do you believe the current Internal Revenue Code, thousands of pages, described differently in every region of the country by the Internal Revenue Service, total uncertainty about what is involved, millions of pages of filings every year, actually 2.2 billion pages filed annually. If you think this is a good system, if you want to defend this system, you should vote for the motion to recommit. Because it is a smoke screen designed to avoid change.

On the other hand, if you think the time has come to send a clear signal, the President of the United States should start to prepare to replace the current cumbersome, complex code with a much simpler version. The President could propose a simplified flat tax, the President could propose a replacement with a consumption tax, but the President should recognize that the American people are tired of thousands of pages of regulations, of audits they do not understand, by agents they cannot talk with, from a bureaucracy they cannot control. This bill says, the Congress is committed to replacing the current Internal Revenue Code.

It is ironic. I actually had a copy of the 1913 tax filing form. It is two pages. The entire form is two pages, and the instructions that were sent out with it, they were two pages. Today you cannot even get through the introduction to the introduction of the basic outline to the simplified form in two pages.

Mr. Speaker, I would say to the gentleman from New York, this is a nice effort to avoid the issue. If you do not want us to replace the code, vote ''no'' when the bill comes up for final passage. Stand proudly with the current Internal Revenue Service. Stand proudly with the current complicated code. But then you go back home to your small businessman and your small businesswoman and you tell them why you did not want to help relieve them of the tax burden and relieve them of the paperwork burden and relieve them of all the attorneys' fees and all the accounting fees and all the bookkeeper fees.

Mr. Speaker, I am delighted that the gentleman from Oklahoma (Mr. LARGENT) and the gentleman from New York (Mr. PAXON), working closely with the National Federation of Independent Businesses and 600,000 businessmen and businesswomen, people like my daughter Kathy who owns a small coffee store and who knows how many hours she puts in personally because she is her own bookkeeper, she knows how much it means to her to pay her accountant, she knows how complex the code is, she knows how difficult the IRS is to deal with, and they have had the courage, LARGENT and PAXON, to have come to this floor and said, ''Let's draw a line in the sand. We want to replace the current Tax Code by the end of 2002.'' That is clearly plenty of time. That is clearly reasonable notice.

That gives us the entire next Congress to think it out, to lay it out. It gives the presidential candidates time to lay it out. It means this country can debate it in 2000. It means in 2001 the new President can recommend a specific replacement. It means by 2002 we can have passed it and sent it to the President.

It is an orderly, practical and reasonable step. And to suggest that we replace that with a press release that, instead of having a real law offering a real change, we have a press release sense of the Congress resolution, I think, is an insult to every American

who wants to replace the code and an insult to every American who is fed up with the Internal Revenue Service.

I urge my colleagues, vote ''no'' on the motion to recommit, vote ''yes'' on final passage. This is the right signal that we are going to move toward a better Tax Code for all Americans.

CALL OF THE HOUSE

Mr. BUNNING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 237]

ANSWERED ''PRESENT''—413

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Nussle
Oberstar
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

□ 1525

The SPEAKER pro tempore (Mr. EVERETT). On this rollcall, 413 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

TAX CODE TERMINATION ACT

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 203, nays 223, not voting 7, as follows:

[Roll No 238]

YEAS—203

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Bereuter
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Ganske
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NAYS—223

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman