

capital gains from classification as passive income. Thus, such capital gains would be subject to a maximum 20 percent rate at the shareholder level in keeping with the 1997 tax law change. Excluding capital gains also parallels their treatment under the PHC rules.

SEC. 115. Allowance of charitable contributions of inventory and scientific property—This provision would allow the same deduction for charitable contributions of inventory and scientific property used to care for the ill, needy or infants for subchapter S as for subchapter C corporations. In addition, S corporations would no longer be disqualified from making 'qualified research contributions' (charitable contributions of inventory property to educational institutions or scientific research organizations) for use in research or experimentation. The S corporation's shareholders would also be permitted to increase the basis of their stock by the excess of deductions for charitable contributions over the basis of the property contributed by the S corporation.

SEC. 116. C corporation rules to apply for fringe benefit purposes—The current rule that limits the ability of "more-than-two-percent" S corporation shareholder-employees to exclude certain fringe benefits from wages would be repealed for benefits other than health insurance. Under this bill, fringe benefits such as group-term life insurance would become excludable from wages for these shareholders. However, health care benefits would remain taxable to the extent provided for partners.

Subtitle C—Taxation of S Corporation Shareholders

SEC. 120. Treatment of losses to shareholders—A loss recognized by a shareholder in complete liquidation of an S corporation would be treated as an ordinary loss to the extent the shareholder's adjusted basis in the S corporation stock is attributable to ordinary income that was recognized as a result of the liquidation. Suspended passive activity losses from C corporation years would be allowed as deductions when and to the extent they would be allowed to C corporations.

Subtitle D—Effective Date

SEC. 130. Effective date—Except as otherwise provided, the amendments made by this Act shall apply to taxable years beginning after December 31, 1999.

Mr. Speaker, I urge my fellow members to review and support the S Corporation Revision Act, which will help families pass their businesses from one generation to the next and create a level playing field for small business. I look forward to working with my colleagues on the Ways and Means Committee to enact this bill.

IN MEMORY OF REVEREND DAVID
LEE BRENT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. SKELTON. Mr. Speaker, it is with deep sadness that I inform the House of the death of Reverend David Lee Brent of Jefferson City, Missouri.

Reverend Brent was born on June 27, 1929, in Forest City, Arkansas, the son of Will B. and Annie Mae Foreman Brent. A 1946 graduate of Benton Harbor High School, he graduated from Moody Bible Institute of Chicago, in 1957. He received his master's degree and a doctor of theology degree from Southern Baptist Theological Seminary in Georgia.

Reverend Brent served on the St. Louis Council on Human Rights, served several churches in Missouri, was co-paster of Second Christian Church, Jefferson City, MO, and was a licensed insurance agent. He was the chief human relations officer for the Missouri Department of Mental Health of 28 years.

Reverend Brent was a leader in the community, in his church, and in the local National Association for the Advancement of Colored People (NAACP). Two years ago, he became the president of the NAACP in Jefferson City. Shortly after taking the helm, he was instrumental in the formation of a city task force to study racial tensions in the public schools. Reverend Brent was the co-founder of Christians United for Racial Equality and the Black Ministerial Alliance. Reverend Brent was also a member of Tony Jenkins American Legion Post 231.

I know the House will join me in extending heartfelt condolences to his family: his wife, Estella; his two sons, five daughters, one brother, three sisters, six grandchildren, and three great-grandchildren.

LAND TRANSFER FOR SAN JUAN
COLLEGE

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. UDALL of New Mexico. Mr. Speaker, today I introduce legislation, which is being co-sponsored by my colleague from New Mexico, HEATHER WILSON, that will transfer a parcel of federal property to San Juan College. This transfer will benefit the people of San Juan County, New Mexico—specifically the students and faculty of San Juan College. This legislation creates a situation in which all benefit by allowing the transfer of an unwanted federal land to an educational institution which can use it. Mr. Speaker, this is a companion bill to a bill that has already been introduced in the other chamber on January 21, 1999. The other bill was introduced by Senator DOMENICI and is also co-sponsored by Senator BINGAMAN, both of New Mexico.

This legislation provides for the transfer by the Secretary of Agriculture and the Secretary of Interior of real property and improvements at an abandoned and surplus ranger station for the Carson National Forest to San Juan College. This site is located in the Carson National Forest near the town of Gobernador, New Mexico. The site will continue to be used for public purposes, including educational and recreation purposes by San Juan College.

Mr. Speaker, the Forest Service has determined that this site is of no further use because the Forest Service has moved its operations to a new administrative facility in Bloomfield, New Mexico several years ago. Transferring this site to San Juan College would protect it from further deterioration.

In summary, this bill creates a situation in which all benefit: the federal government, the State of New Mexico, the people of San Juan County, and most importantly, the students and faculty of San Juan College. Since this legislation enjoys bipartisan support from the New Mexico delegation, I look forward to prompt consideration and passage of this legislation.

CLEVELAND HOMELESS PROJECT
LOSES FUNDS FROM HUD

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 10, 1999

Mr. KUCINICH. Mr. Speaker, I rise today to expose a great injustice that has been committed by a federal agency against a needy population in the Cleveland metropolitan area. The victims of this injustice are homeless men who are struggling to get back on their feet and put their lives together. And the perpetrator of this injustice is the U.S. Department of Housing and Urban Development (HUD).

I have an increasing interest in the activities of HUD, given my experience with the agency over the past two years. I find dealing with HUD as a Member of Congress to be a most frustrating experience, and I must imagine the frustration felt by our constituents, who do not occupy a seat in Congress, with the agency. Indeed, HUD is a disappointment. It represents why many Americans have lost confidence in their federal government.

Today I enter into the Congressional Record a collection of letters and newspaper articles that document the following situation in Cuyahoga County.

The Department of Housing and Urban Development recently refused to provide continued funding to a very worthy program for homeless men in Cleveland because of a "technical" mistake. This decision has been appealed, and HUD has summarily rejected the appeal.

Since 1995, the Salvation Army in Cleveland has operated an innovative program—the PASS Program—that helps homeless men by providing a place for them to live (for up to 12 months) while they put their lives back together. The program provides counseling, job training and transition skills. The program is one component of an entire "continuum of care" services that are coordinated by the Cuyahoga County Office of Homeless Services. The city and the county have developed an excellent system in which government officials and community organizations work together to develop a comprehensive response to the homeless problem in the metropolitan area. The County considers the Salvation Army program as their highest priority for funding.

As an innovative effort, the PASS Program received demonstration project funds from HUD for several years. By the time they applied for another year of funding—a request of \$1.5 million to support their program—this particular HUD demonstration program had been terminated. The County and the Salvation Army realized that this had happened, and contacted the appropriate HUD office in Columbus, Ohio to seek guidance.

County staff asked HUD staff whether their program would be considered a "New" program or a "Renewal." According to the County, HUD staff did not respond one way or another. So the applicant assumed that this would be considered a Renewal, and completed the paperwork accordingly. The application was submitted to HUD in Washington, and became one of 2,600 projects that sought funding.

On December 23, 1998, when the President announced homeless grants across the country, Northeast Ohio received \$9.4 million for a