By Mr. CONRAD (for himself, Mr. MACK, Mr. NICKLES, Mr. ROBB, and Mr. BAUCUS):

S. 879. A bill to amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain leashold improvements; to the Committee on Finance.

By Mr. INHOFE:

S. 880. A bill to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. SNOWE (for herself, Mr. HELMS, Mr. GRAMS, Mr. ROBB, Mr. DURBIN, Mr. EDWARDS, Mr. CLELAND, Mr. HATCH, Mr. TORRICELLI, Mr. MACK, Mr. CRAPO, Mr. GRAHAM, Mr. LAUTENBERG, and Mr. DODD):

S. Res. 84. A resolution to designate the month of May, 1999, as ''National Alpha 1 Awareness Month''; to the Committee on the Judiciary.

By Mr. TORRICELLI (for himself, Mr. THOMAS, Mr. REED, Mr. HELMS, Mr. WELLSTONE, Mr. COVERDELL, and Mr. KERRY):

S. Res. 85. A resolution supporting the efforts of the people of Indonesia in achieving a transition to genuine democracy, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 874. A bill to repeal the reduction in the deductible portion of expenses for business meals and entertainment; to the Committee on Finance.

REPEAL THE REDUCTION IN BUSINESS MEALS AND ENTERTAINMENT TAX DEDUCTION

Mr. INOUYE. Mr. President, I rise to introduce legislation to repeal the current fifty percent tax deduction for business meals and entertainment expenses, and to gradually restore the tax deduction to 80 percent over a five-year period. Restoration of this deduction is essential to the livelihood of the food service, travel, tourism, and entertainment industries throughout the United States. These industries are being economically harmed as a result of the 50 percent tax deduction.

The deduction for business meals and entertainment was reduced from 80 percent to 50 percent under the Omnibus Budget Reconciliation Act of 1993, and went into effect on January 1, 1994. Many companies, small and large, have changed their policies and guidelines on travel and entertainment expenses as a result of this reduction. Additionally, businesses have been forced to curtail company reimbursement policies because of the reduction in business meals and entertainment expenses. In some cases, businesses have even eliminated their expense accounts. Consequently, restaurants which previously relied heavily on business lunches and dinners are being adversely affected by the reduction in business meals. For example:

Currently, there are 23.3 million business meal spenders in the U.S. down from 25.3 million in 1989.

The total economic impact on small businesses of restoring the business meal deductibility from 50 percent to 80 percent ranges from $8 to $690 million, depending on the state.

In Hawaii, the restaurant industry alone employs 47,400 people and generates $2 billion into the state's economy. An increase in the business meal tax deduction from 50 percent to 80 percent would result in a 13 percent increase in business meal spending in the State of Hawaii.

One issue of great importance to business travelers is the deductibility of expenses, particularly the business meal expense.

Restauranteurs have reported lower business meal sales forcing some restaurants to close during luncheon hours and lay off employees which in turn adversely affects those employed in agriculture, food processing, and any businesses related to the restaurant sector.

With sales equaling more than 4 percent of the U.S. gross domestic product, and more than 10.2 million persons employed in the industry, the restaurant business is obviously very important to the economic foundation of America. The 50 percent deduction has adversely affected the restaurant and entertainment industry and resulted in detrimental factors for the U.S. economy as a whole. I urge my colleagues to join me in cosponsoring this important legislation.

Mr. President, I ask unanimous consent that the bill text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 874

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

SECTION 1. REPEAL OF REDUCTION IN BUSINESS MEALS AND ENTERTAINMENT TAX DEDUCTION.

(a) IN GENERAL.—Section 274(n)(1) of the Internal Revenue Code of 1986 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by striking ''50 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Section 274(n) of the Internal Revenue Code of 1986 is amended by striking paragraph (3) and inserting the following:

''(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means the percentage determined under the following table:

''For taxable years beginning— in calendar year—	The applicable percentage is—
1999	56
2000	62
2001	68
2002	74
2003 or thereafter	80.''

(c) CONFORMING AMENDMENT.—The heading for section 274(n) of the Internal Revenue Code of 1986 is amended by striking ''ONLY 50 PERCENT'' and inserting ''PORTION''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

By Mr. ALLARD (for himself, Mr. GRAMM, Mr. BENNETT, Mr. SHELBY, Mr. ABRAHAM, Mr. HAGEL, Mr. ENZI, Mr. MACK, and Mr. GRAMS):

S. 875. A bill to amend the Internal Revenue Code of 1986 to expand S corporation eligibility for banks, and for other purposes; to the Committee on Finance.

SMALL BUSINESS AND FINANCIAL INSTITUTIONS TAX RELIEF ACT OF 1999

Mr. ALLARD. Mr. President, today I am pleased to introduce legislation that will expand and improve Subchapter S of the Internal Revenue Code. I am joined in this effort by Senators GRAMM, BENNETT, SHELBY, ABRAHAM, HAGEL, ENZI, MACK, and GRAMS.

The Subchapter S provisions of the Internal Revenue Code reflect the desire of Congress to eliminate the double tax burden on small business corporations. Pursuant to that desire, Subchapter S has been liberalized a number of times, most recently in 1996. This legislation contains several provisions that will make the Subchapter S election more widely available to small businesses in all sectors. It also contains several provisions of particular benefit to community banks that may be contemplating a conversion to Subchapter S. Financial institutions were first made eligible for the Subchapter S election in 1996. This legislation builds on and clarifies the Subchapter S provisions applicable to financial institutions.

Mr. President, I ask unanimous consent that the text of the bill and the attached explanation of the provisions of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 875

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 ''Small Business and Financial Institutions Tax Relief Act of 1999''.

SEC. 2. EXPANSION OF S CORPORATION ELIGIBLE SHAREHOLDERS TO INCLUDE IRAS.

(a) IN GENERAL.—Section 1361(c)(2)(A) of the Internal Revenue Code of 1986 (relating to certain trusts permitted as shareholders) is amended by inserting after clause (v) the following:

''(vi) A trust which constitutes an individual retirement account under section 408(a), including one designated as a Roth IRA under section 408A.''

(b) TREATMENT AS SHAREHOLDER.—Section 1361(c)(2)(B) of the Internal Revenue Code of 1986 (relating to treatment as shareholders) is amended by adding at the end the following:

''(vi) In the case of a trust described in clause (vi) of subparagraph (A), the individual for whose benefit the trust was created shall be treated as a shareholder.''