

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Georgia (Mr. COVERDELL) is absent due to illness.

The result was announced—yeas 20, nays 79, as follows:

[Rollcall Vote No. 213 Leg.]

YEAS—20

Akaka	Inouye	Moynihan
Boxer	Kennedy	Reed
Daschle	Kerry	Robb
Dodd	Lautenberg	Rockefeller
Feingold	Leahy	Voivovich
Harkin	Levin	Wellstone
Hollings	Lincoln	

NAYS—79

Abraham	Edwards	McCain
Allard	Enzi	McConnell
Ashcroft	Feinstein	Mikulski
Baucus	Fitzgerald	Murkowski
Bayh	Frist	Murray
Bennett	Gorton	Nickles
Biden	Graham	Reid
Bingaman	Gramm	Roberts
Bond	Grassley	Roth
Breaux	Gregg	Santorum
Brownback	Hagel	Sarbanes
Bryan	Hatch	Schumer
Bunning	Helms	Sessions
Burns	Hutchinson	Shelby
Byrd	Hutchison	Smith (NH)
Campbell	Inhofe	Smith (OR)
Chafee, L.	Jeffords	Snowe
Cleland	Johnson	Specter
Cochran	Kerrey	Stevens
Collins	Kohl	Thomas
Conrad	Kyl	Thompson
Craig	Landrieu	Thurmond
Crapo	Lieberman	Torricelli
DeWine	Lott	Warner
Domenici	Lugar	Wyden
Dorgan	Mack	
Durbin		

NOT VOTING—1

Coverdell

The amendment (No. 3875) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I ask consent the vote occur in relation to the Lott amendment notwithstanding the order for the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I ask consent that immediately following the reconvening at 2:15, there be 5 minutes for the managers or their designees for closing remarks, to be followed immediately by a vote on passage of H.R. 4810.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3881

Mr. LOTT. Mr. President, I do have brief remarks before the vote on the next amendment. Are we ready to proceed to that?

The PRESIDING OFFICER. There are 2 minutes for debate, equally divided. The majority leader.

Mr. LOTT. Mr. President, the amendment we have before us will return to the text of the committee-reported bill. If this amendment is agreed to, we will then be voting on a clean marriage penalty relief bill with the exact text that was reported from the Finance

Committee. It is a simple vote. It is a simple choice. Last night the Senate did accept some amendments on several issues that are not relevant to marriage penalty relief, several of them on voice vote, perhaps a couple of them along the way on recorded votes.

Some of them are good amendments. We will have another opportunity to vote for them or have them included in other legislation. They are good ideas that deserve to be on another bill. This bill is about tax relief for married couples and about eliminating the marriage penalty when a couple gets married, so I urge my colleagues to support cleaning up the bill so we can pass a clean marriage penalty bill.

The PRESIDING OFFICER. Who yields time? The Senator from Illinois.

Mr. DURBIN. Mr. President, let me explain to the body what the Lott amendment does. If you voted in favor of the Durbin-Bond amendment to give full deductibility of insurance premiums to self-employed small businesses and farmers, the Lott amendment eliminates that vote. If you voted with Senator TORRICELLI of New Jersey for lead screening under Medicaid to protect children, the Lott amendment eliminates that. If you voted with Senator TORRICELLI on special provisions in Medicare for those suffering from Lou Gehrig's disease, the Lott amendment eliminates that. If you voted with Senator BURNS to change business accounting to make it more fair to small businesses, the Lott amendment eliminates it.

This is done over and over in the House of Representatives by the Rules Committee. It clears the deck of all the activity and progress we have made. It is an effort to make a tabula rasa the last amendment of the day. If you believe the amendments we voted for are worth standing behind, I urge you to vote "no" on the Lott amendment.

Mr. CRAIG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 3881. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Georgia (Mr. COVERDELL) is absent due to illness.

The result was announced—yeas 54, nays 45, as follows:

[Rollcall Vote No. 214 Leg.]

YEAS—54

Abraham	DeWine	Hutchinson
Allard	Domenici	Inhofe
Ashcroft	Enzi	Jeffords
Bennett	Fitzgerald	Kyl
Bond	Frist	Lott
Brownback	Gorton	Lugar
Bunning	Gramm	Mack
Burns	Grassley	McCain
Campbell	Gregg	McConnell
Chafee, L.	Hagel	Murkowski
Cochran	Hatch	Nickles
Collins	Helms	Roberts
Craig	Hutchinson	Roth
Crapo		Santorum

Sessions  
Shelby  
Smith (NH)  
Smith (OR)

Snowe  
Specter  
Stevens  
Thomas

Thompson  
Thurmond  
Voivovich  
Warner

NAYS—45

Akaka  
Baucus  
Bayh  
Biden  
Bingaman  
Boxer  
Breaux  
Bryan  
Byrd  
Cleland  
Conrad  
Daschle  
Dodd  
Dorgan  
Durbin

Edwards  
Feingold  
Feinstein  
Graham  
Harkin  
Hollings  
Inouye  
Johnson  
Kennedy  
Kerrey  
Kerry  
Kohl  
Landrieu  
Lautenberg  
Leahy

Levin  
Lieberman  
Lincoln  
Mikulski  
Moynihan  
Murray  
Reed  
Reid  
Robb  
Rockefeller  
Sarbanes  
Schumer  
Torricelli  
Wellstone  
Wyden

NOT VOTING—1

Coverdell

The amendment No. (3881) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. In my capacity as a Senator from the State of Wyoming, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:55 p.m., recessed until 2:15 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000—Continued

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, we are poised to approve the Marriage Tax Relief Reconciliation Act of 2000. This is a great victory for the American family—all America's families. It is not one that has been won, as much as it has been earned.

This bill is the centerpiece of our efforts to reduce the tax overpayment by American families. It is fair, it is responsible, it is the right thing to do for American families. And it is long overdue that they receive it.

The provisions in this bill will help over 45 million families. That is virtually every family in the U.S. Some of my colleagues have argued that almost half of those families—21 million families located in every state in this country—do not deserve any tax relief. I reject that argument. I reject it because in my home state of Delaware it would mean leaving over 30,000 families that contributed to our ever-growing budget surplus out of family tax relief.

All of these American families have contributed to the record surplus that we have in Washington. They deserve to get some of it back. I believed that

three months ago when I first unveiled this package. And I believe it even more so today with the new numbers released by the Congressional Budget Office.

Today's bill amounts to just 3 percent of the total budget surplus over the next five years. It amounts to just 8 percent of the total non-Social Security surplus over the next five years. That is less than a dime on the dollar of American's tax overpayment. By any comparison or estimation, this marriage tax relief is fiscally responsible.

I would ask those who oppose this family tax relief: Just how big will America's budget surplus have to get before America's families deserve to receive some of their tax dollars back? If not now, when? If 8 percent of just the overpayment is too big a refund, how little should it be? How long do they have to wait? How hard do they have to work? How large an overpayment do they have to make?

This bill is fair. We have addressed the three largest sources of marriage tax penalties in the tax code—the standard deduction, the rate brackets, and the earned income credit. And we have done so in a way that does not create any new penalties—any new disincentives in the tax code. We have ensured that a family with one stay-at-home parent is not treated worse for tax purposes than a family where both parents work outside the home. This is an important principle because these are important families.

Despite the red flags thrown up by those who want to stand in the way of marriage tax relief, this bill actually makes the tax code more progressive. Families with incomes under \$100,000 pay less than 50 percent of the total federal taxes; yet under our bill, these same families receive substantially more than 50 percent of the benefits.

I do not understand how people can claim that this bill is tilted towards the rich. I believe that the real complaint of those who oppose this bill is not that it is tilted towards the rich—because it is not—but because it is tilted away from Washington. As a result, some of America's tax overpayment will flow back to America's families.

Mr. President, it is time for us to act. Families across America are waiting for us to make good on our promise. They are waiting for us to return some of this record surplus to them. Let's approve the Marriage Tax Relief Reconciliation Act of 2000 and let's divorce the marriage tax penalty from the tax code once and for all.

Mr. ASHCROFT. Mr. President, the current tax code is at war with our values—the tax code penalizes the basic social institution: marriage. The American people know that this is unfair—they know it is not right that the code penalizes marriage. I commend the Senate on the vote we are going to take today to end this long-standing problem.

Twenty-five million American couples pay an average of approximately

\$1,400 in marriage penalty annually as a result of the marriage penalty. Ending this penalty gives couples the freedom to make their own choices with their money. Couples could use the \$1,400 for: retirement, education, home, children's needs.

This bill will also provide needed tax relief to American families—39 million American married couples, 830,000 in Missouri. Couples like Bruce and Kay Morton, from Camdenton, MO, who suffer from this unfair penalty. Mr. Morton wrote me a note so simple that even a Senator could understand it: "Please vote yes for the Marriage Tax relief of 2000."

Another Missourian, Travis Harms, of Independence, Missouri, wrote to tell me that the marriage penalty hits him and his wife, Laura. Mr. Harms graciously offered me his services in ending the marriage penalty. "I would like to thank you for your support and effort towards the elimination of the unfair 'marriage tax.' If there is any way I can support or encourage others to help this dream become a reality, I would be honored to help."

I am grateful to Travis Harms and Bruce Morton for their support. And I want to repay them by making sure we end this unfair penalty on marriage.

The marriage penalty places an undue burden on American families. According to the Tax Foundation, an American family spends more of their family budget on taxes than on health care, food, clothing, and shelter combined. The tax bill should not be the biggest bill families like the Morton's and Harms' face.

And families certainly should not be taxed extra because they are married. Couples choosing marriage are making the right choice for society. It is in our interest to encourage them to make this choice.

Unfortunately, the marriage penalty discourages this choice. The marriage penalty may actually contribute to one of society's most serious and enduring problems. There are now twice as many single parent households in America than there were when this penalty was first enacted.

In its policies, the government should uphold the basic values that give strength and vitality to our culture. Marriage and family are a cornerstone of civilization, but are heavily penalized by the federal tax system.

The marriage penalty is so patently unfair no one will defend it. Those on the other side of the aisle are making a stab at addressing the marriage penalty, even though they are not willing to provide relief to all couples who face this unfair penalty. Their bill implements a choose or lose system for some couples who are subject to the marriage penalty. Their bill phases out marriage penalty relief, and does not cover all of the couples who face this unfair penalty.

This issue, however, is not about income, it's about fairness. It is unfair to tax married couples more than single

people, no matter what their income. The Finance Committee bill provides tax relief to all married couples.

In addition, the Finance Committee bill makes sure that couples do not face the risk of differential treatment. Under the minority bill, one family with a husband earning \$50,000 and a mother staying home with her children will pay more in taxes than a family with a combined income of \$50,000, with the wife and husband each earning \$25,000. This system creates a disincentive for parents to stay at home with their children. The Republican plan will treat all couples equally.

While the minority bill is flawed, I am encouraged that they are finally acknowledging that the marriage penalty is a problem. I am also encouraged that President Clinton has also acknowledged the unfair nature of the marriage penalty. But unfortunately, Treasury Secretary Larry Summers has announced that he would advise the President to veto marriage penalty relief.

I say to the President and to my colleagues on the other side: being against the marriage penalty means that you have to be willing to eliminate it. You cannot just say you oppose the penalty, and then fight to keep the penalty in law, or to keep part of the penalty in law for some people. Join us to vote for the elimination of the penalty, and let us bring this important tax relief bill to the American people together.

The marriage penalty has endured for too long and harmed too many couples. It is time to abolish the prejudice that charges higher taxes for being married. It is time to take the tax out of saying "I do."

Mr. DEWINE. Mr. President, I rise today in support of the Marriage Tax Penalty Relief Reconciliation Act. This bill would eliminate much of the so-called marriage penalty contained in the current tax code by expanding the standard filing deduction for married couples filing jointly, widening the tax brackets, increasing the income phase-outs for the earned income credit, and extending permanently the preservation of the family tax credits.

My main reason for supporting this measure is the simple fact that I do not believe that the federal government should be penalizing marriage. If two people meet and fall in love, they should not have to worry about whether their formal union will bring about adverse tax consequences. After all, newly married couples have enough to worry about, without the added burden of increased tax liability.

Mr. President, one of the basic principles of our tax system is that it treats individuals in similar situations in the same way. In other words, if two individuals make the same amount of money and the rest of their lifestyles are similar, they pay the same amount of tax.

When two people marry, these principles of fairness should remain in

place, even if the basis of tax liability changes from the individual to the family. Two people, as a married couple, simply should not have to pay higher taxes than they would as singles. And furthermore, two couples who make the same income should pay the same amount of taxes. The proposal before us today adheres to those principles. The alternative offered by my colleagues on the other side of the aisle, does not.

Mr. President, I support the marriage tax relief proposal currently before us now—it is a step toward eliminating one of the most egregious examples of unfairness and complexity in the tax code today. I strongly urge my colleagues to support its final passage.

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material in S. 2839 considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

To the best of my knowledge, S. 2839, the Marriage Tax Relief Reconciliation Act of 2000, contains no material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313 of the Congressional Budget Act of 1974.

Mr. CONRAD. Mr. President, this week the Senate was required to choose between two plans to correct the marriage tax penalty. Unfortunately, both of them were flawed.

Make no mistake. The marriage penalty is wrong. The tax code should not penalize people simply because they choose to marry. As our economy continues to thrive, we have the opportunity to address the unfairness in the tax code. But we must do so in a manner that is fiscally responsible. We must provide relief to those unfairly penalized, but avoid an unwarranted windfall to those who already receive favorable treatment.

I believe the only way to fully eliminate the marriage penalty is to allow couples to decide whether to file jointly, or as individuals. As we have heard throughout this debate, there are 65 different places in the tax code which can cause married couples to pay more tax than they otherwise would. By allowing couples to choose between filing singly or jointly, we allow each couple to choose the best outcome for their personal situation. That is the approach I favor.

And that is why I supported Senator MOYNIHAN's proposal. His plan takes the right approach, and would completely eliminate the marriage penalty for couples making \$100,000 or less. However, I believe Senator MOYNIHAN's proposal did not go far enough to completely restore fairness for all couples, no matter what their income.

I did not support the plan proposed by Senator ROTH. It would deal with

only three of the instances in the tax code that can result in a marriage penalty, and would direct even greater benefits to people who already experience a "marriage bonus" under current tax law. The Roth proposal carries a tremendous price tag, with costs ballooning out of control as the baby boomers begin to retire—and despite its costs, would provide only modest relief from the marriage penalty for the great majority of couples over the next ten years.

We have heard that this legislation faces a veto. We will have the opportunity to return to this issue, and find a better solution, one that is affordable, simple, and effective.

The plan I offered in the Finance Committee in April could, I believe, form the basis for a compromise. It provides a simple, elegant, and complete solution to the marriage penalty, based on the concept of optional single filing.

Optional single filing could not be simpler—taxpayers decide whether to file as a couple or as two single individuals, whichever method produces the smallest family tax bill. Optional single filing means that couples who actually pay the marriage penalty get the relief from it.

Let's review one more time why the marriage tax penalty happens. Under our system, marriage affects tax liabilities because married couples pay income taxes jointly rather than as two individuals. Because tax brackets, deductions, and credits for couples are not always set at exactly twice the levels for individuals, married couples do not always pay the same taxes as they would if the same two people were unmarried. As I said, experts have identified 65 separate provisions in the Internal Revenue Code that can affect taxpayers differently based on marital status.

About 42 percent of couples pay more filing jointly than if they were not married and filed as two individuals. This is defined as a marriage tax penalty. About half of all married couples pay less. This is known as a marriage tax bonus. The remainder see no significant difference either way.

The Roth proposal dealt conclusively with only one of the provisions that gives rise to a marriage penalty. If the difference in the standard deduction is responsible for your marriage penalty, the Republican plan has all the relief you need.

If the widths of the rate brackets causes you to pay more as a married couple than you would if you were two single individuals, the Roth plan will give you some help. Likewise, if your penalty stems from the structure of the earned income tax credit, the Republicans have a little something to offer. But for those two marriage penalty situations—and the 62 other provisions in the Internal Revenue Code that could result in a couple paying a marriage penalty—only optional single filing can provide complete relief.

That's why I so strongly support optional single filing. It's the best way of dealing with the marriage penalty—give people the flexibility to decide what's best for them.

And, because optional single filing would not give tens of billions of dollars in new tax breaks for wealthy individuals who already get a marriage bonus, it would allow us to pay down the national debt faster. Every time I visit with North Dakotans, they tell me that paying down the national debt should be a top priority. Paying down debt will strengthen our economy and reduce interest costs. And it will ensure that our children and grandchildren are not saddled with future tax increases to pay for the debt we ran up in the past three decades.

This plan is simple. It is complete. And it matches our nation's priorities. I hope that as this debate moves forward, we can use the plan as a basis for an effective compromise.

Mr. BAYH. Mr. President, I rise today in support of eliminating the marriage penalty for working families. Eliminating the marriage penalty—which results when a married couple pays more in taxes than they would if they had remained single—is the right thing to do. Unfortunately, the approach the majority offers is fiscally irresponsible and provides more than half its benefits to couples who pay no marriage penalty. By contrast, the approach I support provides tax relief only to those who actually pay marriage penalties, and it allows us to provide additional, targeted tax cuts.

A few months ago, I introduced my own approach to the marriage penalty problem, the Targeted Marriage Penalty Relief Act of 2000, S. 2043. My bill provides a dollar-for-dollar tax credit—up to a maximum of \$500 in 2001, rising to \$1,700 in 2004—that reduces or eliminates the marriage penalty on a couple's earned income. My bill provides immediate marriage penalty relief to millions of American families, completely eliminating the penalty for 59 percent of families that face a penalty in the first year. Plus, it provides tax relief only to those families who currently pay more when they marry than they would if they had remained single, which is the true measure of the marriage penalty.

Because it is more targeted to those with marriage penalties, my bill is also more fiscally responsible. The Targeted Marriage Penalty Relief Act costs \$80 billion over ten years—\$33 billion in the five-year reconciliation window—or just over \$10 billion a year by the year 2010. It costs only one-third as much as the Republican plan, yet it eliminates the marriage penalty within four years for more than 80 percent of families.

In other words, Mr. President, my bill is targeted, simple, and affordable, as is the Democratic alternative offered by Senator MOYNIHAN. Both approaches allow us to honestly deal with

the marriage penalty while also providing enough room for other priorities, such as prescription drug coverage, a college tuition tax credit, or a long term care tax credit. Given the likelihood that the Democratic alternative will fail, and the Republican bill will be vetoed by the President, it is my hope that my proposal will eventually receive serious consideration.

Compare the advantages of both the Democratic alternative and the Bayh approach to the Republican bill that we are debating here today. The Republican bill is expensive, costing \$248 billion over ten years and \$56 billion over five years. If allowed to continue until the year 2010, it would cost more than \$40 billion every year. The bill is poorly targeted, with nearly 60 percent of the total tax relief going to couples who today pay less in tax when they marry, rather than more.

In addition, the Republican bill provides immediate relief only to a small number of families because it phases in over a seven-year period. In fact, the Republican bill has not even completely phased in by the end of the five-year budget window, thereby hiding its true cost.

I appreciate the argument made by the other side of the aisle that with significant surpluses on the horizon, some of that money ought to be returned to taxpayers. I also agree that we ought to do something about the marriage penalty, because people should not have to pay more tax simply because they fall in love and get married, as the two Senators from Texas point out often with both irony and humor. But unfortunately, eliminating the marriage penalty is not the only challenge we face. The majority's proposal severely hampers our ability to cut other taxes, pay down the debt, and make needed investments in Medicare and education. It provides most relief for those who pay no marriage penalty and offers incomplete relief for those who do. I support a better, more balanced approach and look forward to the day when it is adopted.

Mr. LEAHY. Mr. President, I do not like the marriage penalty. I think it is poor public policy. Unfortunately, the Senate Finance Committee has presented us with a bill, sponsored by Senator ROTH, that does not completely eliminate the marriage penalty. What this bill would do instead is direct a majority of its tax benefits to married couples who already benefit from a marriage bonus and to certain individuals who have never even been married. Hard working married couples in Vermont deserve an honest, targeted measure to eliminate the marriage penalty, not the proposal that is before us today.

Of the 65 marriage penalties in the Tax Code, the Republican bill eliminates only one and partially addresses only two more. It would do absolutely nothing to get rid of the 62 other marriage penalties in areas such as the Hope and Lifetime Learning Credits,

Individual Retirement Accounts, and the taxation of Social Security benefits, programs that are important to Vermonters. In addition, by increasing the deduction and expanding brackets, this bill would benefit married couples who experience a marriage bonus, at a cost of \$55.6 billion over five years and \$40 billion per year after that.

I support the alternative amendment, proposed by Senator MOYNIHAN, because it would eliminate all 65 marriage penalties in the Tax Code for couples with up to \$100,000 in adjusted gross income. This common sense plan would accomplish this relief by allowing married couples to calculate their tax liability jointly or as single individuals. The alternative would also significantly shrink the marriage penalty for couples with between \$100,000 and \$150,000 in adjusted gross income. According to the Vermont Department of Taxes, in 1998, 113,132 married couples in Vermont had an adjusted gross income under \$150,000. That is 94.5 percent of all married couples in Vermont that filed taxes that year. Under Senator MOYNIHAN's proposal, Vermonters get more bang for their buck and those married couples who are truly hurt by the marriage penalty get a break.

Senator ROTH's bill, when fully phased in, would cost American taxpayers \$40 billion a year, \$10 billion more than Senator MOYNIHAN's proposal, but would leave 62 marriage penalties untouched. In addition, an analysis by the Department of Treasury indicates that only 40 percent of the benefits of this bill would actually reduce the marriage penalty. This means that 60 percent of the benefits are directed to other cuts—expensive cuts that do nothing to provide senior citizens with a prescription drug benefit, nothing to improve our children's education, nothing to help repay our national debt.

If the Republican bill is enacted, we will have made little progress in eliminating the marriage penalty—one small step as opposed to the giant leap that we would get with Senator MOYNIHAN's alternative. I support an end to the marriage penalty and I will continue to work with other Senators to pass affordable legislation that is targeted at eliminating all of the marriage penalties in our Tax Code. Vermonters and all hard working Americans deserve nothing less.

Mr. GORTON. Mr. President, the marriage tax penalty is an injustice in the Federal income Tax Code that results in a married couple filing a joint return paying more in taxes than if the same couple were not married and filed as individuals. Today, the Senate will vote to end this injustice.

There is no question that the American people, both married and single, are troubled and upset by the marriage tax penalty, and that they are telling Congress and the President to end this injustice in the Tax Code. I know every one of my 99 colleagues in the Senate receives letters like those that arrive

in my mail every day from Washington state—letters urging support for legislation to eliminate the marriage tax penalty.

I will share just one of the hundreds and hundreds I have recently received. The Gaylord's of Sumner, Washington wrote to me and described how they learned of the penalty the Tax Code imposed on them for being married when preparing their tax filings for this year. The letter reads, "Here is what I did to see the penalty: I simply clicked on the 'single' box on my wife's return (as it is on the computer, it is a simple thing to do) and her tax went from sending \$400 to the IRS, to an instant recalculation of getting \$500 back!" Computer tax software made it easy and brutally clear to the Gaylord's that they were being punished by the Tax Code for being married to each other, that they would pay less in taxes if they were single.

Mr. President, the marriage tax penalty is as outrageous as it is indefensible. President Clinton, however, has threatened to veto this marriage tax penalty legislation. President Clinton should reverse his threatened veto, sign marriage tax penalty legislation into law and bring fairness to the Tax Code. No longer should those who fall in love and get married be penalized by the Tax Code.

Mr. LEVIN. Mr. President, I oppose the Republican marriage penalty tax reform proposal and support the Democratic alternative for three simple reasons: the Democratic alternative is targeted, provides comprehensive relief, and is fiscally responsible, and the Republican plan is not.

First, the Democratic relief plan is targeted: It confers 100% of its benefits on couples suffering a marriage penalty—when two individuals pay more in income taxes as a married couple, filing jointly than they would if they remained single. The Republican plan confers only 40 percent of its benefits to taxpayers who currently suffer a penalty. Of the remaining benefits, 37 percent go to couples currently receiving a marriage bonus—when two individuals pay less in income taxes as a married couple, filing jointly than they would if they remained single. So the Republican plan is effectively a singles penalty bill.

Second, the Democratic relief plan is comprehensive: There are 65 areas of the tax code where a marriage penalty occurs—from the standard deduction to the earned income tax credit. The Democratic plan addresses all of them. In fact it completely eliminates the penalty—in all its forms—for couples earning up to \$100,000, 80% of all married couples. The Republican plan addresses only 3 of the 65 places in the tax code where the marriage penalty occurs—it doesn't address the other 62. So the Republican plan provides inadequate, incomplete relief.

Despite these deficiencies, or perhaps, because of them, the Republican plan carries an enormous, fiscally irresponsible price tag of \$40 billion per

year when fully in place—compared with \$29 billion per year for the Democratic alternative. Allocating so much money to an inefficient, poorly targeted tax cut leaves no room for other important national priorities and threatens the very prosperity that has made tax cuts possible. The Democratic proposal is simply a better value for the American taxpayer.

Mr. ROTH. Mr. President, I yield 3 minutes off the majority leader's time to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, we are not talking about a tax cut today. We are talking about a tax correction. We are talking about 21 million married couples in this country having tax equity.

We have heard the arguments: This is a tax for the rich. Is a schoolteacher who makes \$30,000 a year and a policeman who makes \$32,000 a year a couple who are rich? That is what the other side would have you believe. They think this is a tax cut for the rich.

I ask the question: Does a schoolteacher and a policeman believe the Federal Government can decide better how they should spend their own money than they can decide for themselves? That is what it gets down to.

When I hear the other side saying this is going to cost the Government too much, I think: Who do they think this money belongs to? Do they think it belongs to the people who earn it or do they think it belongs to people in Washington, DC, who have never met the families who are paying these taxes? I think the money belongs to the people who earn it.

We are looking at a \$2 trillion non-Social Security surplus. We are talking about tax cuts. With the death tax and the marriage tax penalty relief that we have given in the last week in this Senate, it would be 10 percent of the projected non-Social Security surplus—10 cents on the dollar.

What are we going to do with this money if we don't let people keep more of the money they earn? Are we going to dream up new programs that will not affect these people? I don't think that is the right approach.

We are talking about tax relief for hard-working American families—people who make \$30,000 a year or \$32,000 a year or \$35,000 a year—because we believe marriage should not be a taxable event. We believe people should be treated the same if they get married. If they are two working people who are trying to save their money to buy their first home, they should have the right to do it with their own money, especially since we are talking about 10 percent of the non-Social Security surplus.

We are talking about being good stewards of taxpayer dollars today. We are talking about letting hard-working families keep the money they earn to do a little bit better for their children or to be able to start a family or buy their American dream home.

That is what we are talking about. We believe the family can make the decisions for themselves better than someone in Washington.

Marriage penalty relief is what we are talking about. Tax equity is what we are talking about. We are talking about fairness today for hard-working Americans.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I would like to make five points in a very short period of time before we vote.

The first goes to the issue raised by the distinguished Senator from Delaware and the chairman of the Finance Committee, Senator ROTH, having to do with the surplus.

Over the course of the last 6 months we have seen the surplus increase—projected now to be about \$2.1 trillion. In 6 months, we have gone from roughly \$800 billion in projected surplus to \$2.1 trillion. I will predict that surplus is going to change one way or the other over the next 6 months, the next 6 years—for any length of time. In fact, I think the surplus projections are the fiscal equivalent of the dot-com stock market. They will continue to be volatile. We know how volatile they can be. We projected deficits as far as the eye could see a few years ago. We could see those deficits come back completely in a very short period of time. We don't know. There will continue to be volatility in predictions of surplus just as there has been volatility in the dot-com stock market. Let's keep that in mind.

When you add all the Republican tax breaks to date, and add the Bush Social Security privatization proposal and it comes to \$3.4 trillion. That exceeds by more than 50 percent the available surplus.

Last week, we dealt with the estate tax. Today, we are dealing with marriage penalties. But when you add all of them up, we exceed by more than 50 percent of the projected surplus.

They are counting on this surplus continuing to go up, No. 1, or they are going to do something they say they don't want to do, which is to tap the Social Security surplus and the Medicare surplus in order to pay for the tax cuts in the first place. That is point No. 1.

We don't have the surplus in the bank until it is there. They can project all they want to project. But that surplus could be eliminated very quickly.

The second issue: If you are going to say you are going to fix the marriage penalty, fix the marriage penalty. There are 65 marriage penalties in the Tax Code. The Republicans chose to deal with three of them. The cost in dealing with those three is \$248 billion. They filed amendments in the Finance Committee for an additional \$6 billion, totaling another \$81 billion. I don't know what it would cost if they were actually going to fix all 65. We don't know how many hundreds of billions of

dollars there would be in addition to the \$248 billion. Keep that in mind. This does not fix the marriage penalty. Anyone who is voting under that impression ought to recognize that they can say what they will but they are only fixing 3 of the 65 problems that are currently incorporated in the tax law. That is the second point.

This is the third point related to the second point. Let's take this teacher and this policeman the distinguished Senator from Texas was talking about. She mentioned a teacher and a policeman and having the need to address their concern. For this couple who has been penalized, let's assume each of them were making \$35,000, which in the case of a teacher is very difficult to assume. But we will assume that for the moment. The husband and wife jointly would pay \$9,532. If they were able to file singly, they would pay \$8,407. So their actual marriage penalty is \$1,125.

The Republican plan only provides 39 percent of the relief for that couple making \$70,000—\$443. That is all the relief this Republican plan provides. That is another reason the Democrats felt compelled to offer our alternative.

It is no accident that the Democratic plan authored by the distinguished Senator from New York and the Finance Committee Democrats provide 100-percent relief—\$1,125 in the case of this particular couple making \$70,000.

The fourth point: This bill actually creates a new inequity. We call it a singles penalty. I promise you somebody is going to come to the floor saying we have to deal with the singles penalty.

That \$70,000 joint income I was talking about creates a joint tax liability of \$10,274 under current law. They get some tax relief under the GOP plan, and end up with a liability of \$8,743. However, a widow does not get any relief at all. A single widow, a person trying to make ends meet with the same kind of income, doesn't get any kind of reduction in her tax liability at all. In fact, because they now create a singles penalty, that widow will actually pay \$1,531 in additional taxes over a couple getting relief under the marriage penalty. We are inadvertently creating a singles penalty in the name of trying to address this marriage penalty relief under the Republican plan. That is something I hope Members will take a close look at.

The fifth point I raise, I heard several colleagues discuss the fact this does not benefit the wealthy at the expense of the rest. According to the Joint Tax Committee, it sure does. The Joint Tax Committee said a couple making \$50,000 a year, as a joint couple, the Republican tax bill is going to allow \$240 in relief when paying a marriage penalty with \$50,000 worth of income. Someone earning \$200,000, their benefit under the Republican plan is \$1,335. The Democratic plan is shown in contrast. Someone earning \$30,000 under the Democratic plan receives \$4,191 in relief. Under the Republican plan, they receive \$807.

When representing the vast majority of the American working families in that \$30,000 to \$50,000, why vote for a plan that actually reduces their opportunity to generate meaningful relief by giving them \$240 in the case of a \$50,000 income earner, and \$807 relief for those in the \$30,000 category? Why vote for such a plan?

It goes to the very point that many have made all along, and the distinguished Senator from New York has made so eloquently. Mr. President, 60 percent of the benefit in this bill we are about to vote on actually goes to those who get a marriage bonus; only 40 percent of that \$248 million actually goes to those who face a marriage penalty.

Why give, in the name of marriage penalty relief, 60 percent of the benefit to those who are actually getting a marriage bonus under current law? Why exacerbate the inequities in current law already? That is what we are doing.

The Democrats have a far better plan. This chart shows that better plan. The Republicans, as I noted earlier, deal with 3 of the 65 inequities for \$248 billion, 60 percent of which goes to those who get a marriage surplus. The Democrats deal with every single inequity currently in the code, all 65, and in one sentence.

That is the choice. Do we want to fix it or do we want to talk about it? Do we want to create new inequities and singles penalties, or do we want to deal with the problem? Do we want to fritter away \$248 billion, thinking we have fixed the marriage problem, or do we want to deal with the real problem for a lot less money?

The Democratic plan allows married couples to file separately or jointly. Very simply, taxpayers get a choice. Why deny them that choice? We provide them, for the first time, an opportunity to do one or the other, in a single sentence.

We eliminate all marriage tax penalties for those making less than \$100,000. We don't expand the marriage bonus, and we provide fiscally responsible relief.

You cannot get much better than that. I am hopeful my colleagues will think very carefully before they vote for a plan that does not solve this problem. I urge a "no" vote on the Republican plan on marriage penalty relief.

I yield the floor.

Mr. ROTH. I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. CRAPO). Is there a sufficient second?

There is a sufficient second.

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

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Georgia (Mr. COVERDELL) is absent due to illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—61

Abraham	Fitzgerald	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Biden	Grams	Roberts
Bond	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Byrd	Helms	Smith (NH)
Campbell	Hutchinson	Smith (OR)
Chafee, L.	Hutchison	Snowe
Cleland	Inhofe	Specter
Cochran	Jeffords	Stevens
Collins	Kerrey	Thomas
Craig	Kohl	Thompson
Crapo	Kyl	Thurmond
DeWine	Landriau	Torricelli
Domenici	Lott	Warner
Enzi	Lugar	
Feinstein	Mack	

NAYS—38

Akaka	Feingold	Mikulski
Baucus	Graham	Moynihan
Bayh	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Lautenberg	Schumer
Dodd	Leahy	Voinovich
Dorgan	Levin	Wellstone
Durbin	Lieberman	Wyden
Edwards	Lincoln	

NOT VOTING—1

Coverdell

The bill (H.R. 4810), as amended, was passed.

[The bill was not available for printing. It will appear in a future edition of the RECORD.]

CHANGE OF VOTE

Mr. KOHL. Mr. President, on rollcall vote No. 215, I voted "nay." It was my intention to vote "yea." Therefore, I ask unanimous consent that I be permitted to change my vote since it would not change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment, requests a conference with the House, and the Presiding Officer appoints Mr. ROTH, Mr. LOTT, and Mr. MOYNIHAN conferees on the part of the Senate.

The Senator from New York.

Mr. MOYNIHAN. Mr. President, I take this occasion to thank the persons who have supported us and, most particularly, to thank the minority staff of the Finance Committee which produced what we think to have been a fine measure.

We are, as ever, indebted to our chief of staff, Dr. David Podoff, who, in the

course of these deliberations, had Marshall's "Principles of Economics" on his desk for reference; to our tax team, led by Russ Sullivan, Stan Fendley, Mitchell Kent, Jerry Pannullo, Cary Pugh, John Sparrow, Lee Holtzman, Matthew Vogele, and Andy Guglielmi; to our health team, Chuck Konigsberg, Kyle Kinner, Kirsten Beronio, and David Nightingale.

Also, I extend a very special thank-you to Lisa Konwinski from the Budget Committee staff who provided extraordinary assistance on the reconciliation bill rules and procedures.

I yield the floor, sir.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The Senate is currently on S. 2, which is the Elementary and Secondary Education Act.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHAT PRICE LEGACY?

Mr. BYRD. Mr. President, the peace talks that President Clinton has been hosting at Camp David between Prime Minister Barak of Israel and Chairman Arafat of the Palestinian Authority appear to be reaching their climax. The President has made clear from the outset that the negotiations would be difficult, but that it was his hope to recreate the spirit of the Camp David summit hosted by President Carter more than 20 years ago that resulted in the historic peace treaty between Egypt and Israel.

The goal of the current discussions is no less ambitious than the peace treaty between Israel and Egypt that was enshrined in the first Camp David accords. Certainly, a peace agreement between the Israelis and the Palestinians would be a welcome advance in the quest for a lasting peace in the Middle East. We would all like these discussions to lead to an end to the conflict that has caused so much suffering and instability in that troubled region.

Whether such a positive outcome is possible is still very much in doubt. There is no guarantee of success; indeed, many think the chances are dim. But when there is a chance for peace, the opportunity should be seized.

That being said, Mr. President, it should be made clear what the role and responsibility of the United States are here. The most important role of the United States is our ability to serve as the facilitator of these discussions. That is due to the nature of our relations with Israel and the Palestinians, and the personalities of the leaders involved at this time in history.

But providing a forum and encouragement for the Israelis and Palestinians to solve their own conflict should