code in cases where current law creates inequitable treatment or where change will alleviate barriers to compliance. For the third year in a row, tax code complexity tops the list of taxpayer concerns. Accordingly, the National Taxpayer Advocate has singled out two hidden taxes in the Internal Revenue Code that should be repealed.

The first of these hidden taxes is the phaseout of itemized deductions and personal exemptions. With regard to this hidden tax on our American families and values, our country's National Taxpayer Advocate has stated in the past that ''[n]o other tax issues are taken so personally. As a result, the phaseouts of itemized deductions and the personal exemptions are often seen by taxpayers as being especially unfair, creating a certain amount of resentment and cynicism. ''[A]llowing all taxpayers to retain these deductions and exemptions would go a long way toward reducing burden, increasing fairness, and restoring faith in the tax system.''

The second of these hidden taxes is the ''Alternative Minimum Tax'' or AMT. With regard to this hidden tax on our American families and values, our country's National Taxpayer Advocate has described the AMT as ''unnecessarily complex and burdensome,'' effectively operating ''as a separate or 'parallel' tax system with many rules that differ from the regular tax system.'' In this year's report to Congress, the National Taxpayer Advocate describes the AMT as our nation's ticking tax time bomb—''Just three years ago, only 600,000 taxpayers were affected by the Alternative Minimum Tax. Over 17 million taxpayers will be subject to the Alternative Minimum Tax by the year 2010. Taxpayers with an adjusted gross income of less than $100,000 will owe 60% of the nation's Alternative Minimum tax by the year 2010.''

Many taxpayers are required to make several computations just to see if they must figure out their tax under the AMT. Additionally, AMT presents significant compliance and administrative problems for the IRS. Finally, many taxpayers are subject to the AMT ''without being aware of its existence. Often, the way that many individuals first hear of the Alternative Minimum Tax is when they receive a notice from the IRS. *Outright elimination of the Alternative Minimum Tax would do a great deal for simplification and burden reduction of the tax system* (emphasis added).''

I strongly support the work and conclusions of the National Taxpayer Advocate. This legislation will repeal both of these hidden taxes on American families and values.

Additionally, this legislation will go one step further and repeal another hidden tax—the phaseout of the Child Tax Credit. In 1997, this Congress enacted legislation to return $500 in tax credits for every child under the age of 17. Unfortunately, budget constraints and opponents of this pro-family idea forced us to phaseout the Child Tax Credit in a complicated and unfair manner. We should not penalize any family who chooses to have children. All children should be treated equally as they are in the eyes of their Maker. Consequently, this legislation will also repeal this arbitrary hidden tax on American families.

I urge my colleagues to join me in repealing these hidden taxes and restore freedom to American families.

TRIBUTE TO MILTON W. HINTON, A GREAT LIVING CINCINNATIAN

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 2001

Mr. PORTMAN. Mr. Speaker, I rise today to recognize Milton W. Hinton, a community leader who will be honored as a Great Living Cincinnatian by the Greater Cincinnati Chamber of Commerce on February 9, 2001. He was selected for his outstanding community service, business and civic accomplishments, awareness of the needs of others and achievements that have brought favorable attention to the Cincinnati area.

Milton was born and raised in Glassboro, New Jersey, and he has spent the last thirty years in Cincinnati. He earned his bachelor's and master's degrees from Glassboro State College, and, in 1969, he received his doctorate in education from Columbia University.

Throughout his life, Milton has been deeply committed to education and to efforts promoting civil rights and improved race relations. He began his teaching career in the Philadelphia and Glassboro public school systems. He then went on to become Head of the Department of Special Education at Virginia State University, He moved to our area in 1970 after the University of Cincinnati offered him a teaching position. At the University, he has served as a Professor, Department head and Vice Provost.

Milton also has had a strong presence at the National Association for the Advancement of Colored People (NAACP). While in New Jersey he served for five years as President of the Glassboro branch of the NAACP and for an additional eight years as President of the Gloucester County branch. At the Cincinnati chapter of the NAACP, he served as President from 1994 until his recent retirement this past December. Because of his leadership and hard work, the chapter has seen its membership grow from 700 to approximately 3,500, and, with it, the effectiveness of the chapter also has tremendously increased. One of his most noteworthy accomplishments at the chapter is the development of a Citizens Review Panel for the Cincinnati Police Division.

He and his wife, Betti, continue to live in Cincinnati. The have one son, one daughter and two granchildren.

All of us in the Cincinnati area congratulate Milton on being named a Great Living Cincinnatian, and we look forward to his continued leadership in our area.

GUAM FOREIGN INVESTMENT EQUITY ACT

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 30, 2001

Mr. UNDERWOOD. Mr. Speaker, today I would like to reintroduce the Guam Foreign Investment Equity Act, which passed the House of Representatives during the 106th Congress. While an agreement was reached with the Treasury Department on the provisions of the bill, the Senate was unable to act on this important legislation before sine die adjournment.

At the outset, I would like to say that this legislation is direly needed, given Guam's struggling economy and 15 percent unemployment rate. Unlike the rest of the nation, which has experienced unprecedented economic growth and low unemployment rates the last few years, Guam's economy and tourism industry continues to recover from the Asian financial crisis, given our island's close proximity to Asia. Guam is only three flying hours from Japan.

My legislation provides the Government of Guam with the authority to tax foreign investors at the same rates as states under U.S. tax treaties with foreign countries since Guam cannot change the withholding tax rate on its own under current law. Since the U.S. cannot unilaterally amend treaties to include Guam in its definition of United States, the legislation amends Guam's Organic Act, which has an entire tax section that mirrors the U.S. tax code. The legislation does not cost the federal government any money. It simply allows the Government of Guam to lower its withholding rate for foreign investors. While the Congressional budget Office last year estimated that the bill will result in the loss of revenue for the Government of Guam in the short term, those losses are expected to be offset by the generation of increased tax revenues through increased foreign investments in the long term. Seventy-five percent of Guam's commercial development is funded by foreign investors.

Currently, under the U.S. Internal Revenue Code, there is a 30 percent withholding tax rate for foreign investors in the United States. Since Guam's tax law ''mirrors'' the rate established under the U.S. Code, the standard rate for foreign investors in Guam is 30 percent. Under U.S. tax treaties, it is a common feature for countries to negotiate lower withholding rates on investment returns. Unfortunately, while there are different definitions for the term ''United States'' under these treaties, Guam is not included. As an example, with Japan, the U.S. rate for foreign investors is 10 percent. That means while Japanese investors are taxed at a 10 percent withholding tax rate on their investments in the fifty states, those same investors are taxed at a 30 percent withholding rate on Guam.

While the long term solution is for U.S. negotiators to include Guam in the definition of the term ''United States'' for all future tax treaties, the immediate solution is to amend the Organic Act of Guam and authorize the Government of Guam to tax foreign investors at the same rates as the fifty states.

Other territories under U.S. jurisdiction have already remedied this problem through delinkage, their unique covenant agreements with the federal government, or through federal statute. Guam, therefore, is the only state or territory in the United States which is unable to take advantage of this tax benefit.

The bill I am introducing today incorporates changes recommended by the Treasury Department to ensure that a foreign investor who benefits from this new tax benefit cannot simultaneously benefit from tax rebates under Guam territorial law. My legislation is supported by the Governor of Guam, the Guam Legislature, and the Guam business community. During the 106th Congress, I also worked closely with the House Resources Committee, the House Ways and Means Committee, the Senate Finance Committee, the Senate Energy and Natural Resources Committee, the