Smithsonian Institution; to the Committee on Rules and Administration.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. SPECTER (for himself, Mr. HARKIN, Ms. MIKULSKI, Mr. FRIST, Mr. SCHUMER, Mr. SARBANES, Ms. COLLINS, Mr. DEWINE, Mr. HUTCHINSON, Ms. SNOWE, Mr. COCHRAN, Mr. SANTORUM, and Mrs. MURRAY):

S. Res. 19. A resolution to express the Sense of the Senate that the Federal investment in biomedical research should be increased by $3,400,000,000 in fiscal year 2002; to the Committee on Appropriations.

By Mr. HARKIN (for himself, Mr. FEINGOLD, Mr. REED, Mr. LEAHY, Mr. KENNEDY, Mr. WELLSTONE, and Mr. KOHL):

S. Con. Res. 9. A concurrent resolution condemning the violence in East Timor and urging the establishment of an international war crimes tribunal for prosecuting crimes against humanity that occurred during that conflict; to the Committee on Foreign Relations.

By Mr. CRAIG (for himself, Mr. LOTT, Mr. CRAPO, and Mr. BENNETT):

S. Con. Res. 10. A concurrent resolution expressing the sense of the Senate regarding the Republic of Korea's unlawful bailout of Hyundai Electronics; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SHELBY:

S. 302. A bill to amend the Internal Revenue Code of 1986 to reduce the maximum capital gain tax rate for gains from property held for more than 5 or 10 years; to the Committee on Finance.

Mr. SHELBY. Mr. President, I rise today to introduce legislation that would reduce the capital gains tax for properties held for more than five or ten years. Such legislation is needed to help increase investment and to decrease inefficient economic behavior.

Under current law, people holding capital property are often discouraged from selling their property because of the large anticipated tax liability. Such a ''lock-in'' of assets is economically undesirable. Economists have estimated that perhaps as much as 7.5 trillion dollars are ''locked-in'' the portfolios of American taxpayers. By reducing the tax on certain long term capital gains, we would decrease the ''lock-in'' effect and allow investors to liquidate or hold capital assets based on market factors rather than the tax code.

Opponents to lower taxation of capital gains argue that reducing capital gains tax rates would result in a revenue shortfall. Such an argument fails to recognize the effect that reduced taxes will have on investment behavior. By lowering taxes on capital gains, we will encourage, rather than discourage, capital investment. I believe the resulting situation would be a rise in the number of investment transactions and in the amount of gain realized in each taxable year which will in turn lead to an increase in tax revenue. This trend has been well-documented as evidenced by the fact that every capital gains tax reduction in the last forty years has resulted in increased federal revenue. In addition to increasing federal revenue, a cut in the capital gain tax rates would benefit individual states, as a vast majority of them also tax capital gains.

The current capital gains tax dissuades investment and economic growth. By lowering the capital gains tax rates, my bill would help lower the cost of capital and spur economic growth. I urge my colleagues to join me in support of the bill. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 302

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

SECTION 1. REDUCTION IN MAXIMUM CAPITAL GAIN RATES FOR 5-YEAR AND 10-YEAR GAINS.

(a) IN GENERAL.—Paragraph (2) of section 1(h) of the Internal Revenue Code of 1986 (relating to maximum capital gains rate) is amended to read as follows:

''(2) REDUCED CAPITAL GAIN RATES FOR QUALIFIED 5-YEAR AND 10-YEAR GAIN.—

''(A) REDUCTION IN 10-PERCENT RATE.—In the case of any taxable year beginning after December 31, 2001, the rate under paragraph (1)(B) shall be—

''(i) 8 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 5-year gain,

''(ii) 5 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 10-year gain, and

''(iii) 10 percent with respect to the remainder of such amount.

''(B) REDUCTION IN 20-PERCENT RATE.—The rate under paragraph (1)(C) shall be—

''(i) 10 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

''(I) the excess of qualified 5-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

''(II) the amount of qualified 5-year gain (determined by taking into account only property the holding period for which begins after December 31, 2001),

''(ii) 5 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

''(I) the excess of qualified 10-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

''(II) the amount of qualified 10-year gain (determined by taking into account only property the holding period for which begins after December 31, 2001), and

''(iii) 20 percent with respect to the remainder of such amount.

For purposes of determining under the preceding sentence whether the holding period of property begins after December 31, 2001, the holding period of property acquired pursuant to the exercise of an option (or other right or obligation to acquire property) shall include the period such option (or other right or obligation) was held.''.

(b) QUALIFIED 5-YEAR AND 10-YEAR GAIN.—Paragraph (9) of section 1(h) of the Internal Revenue Code of 1986 is amended to read as follows:

''(9) QUALIFIED 5-YEAR AND 10-YEAR GAIN.—For purposes of this subsection—

''(A) QUALIFIED 5-YEAR GAIN.—The term 'qualified 5-year gain' means the aggregate long-term capital gain from property held for more than 5 years but not more than 10 years.

''(B) QUALIFIED 10-YEAR GAIN.—The term 'qualified 10-year gain' means the aggregate long-term capital gain from property held for more than 10 years.

''(C) DETERMINATION OF GAIN.—The determination under subparagraph (A) or (B) shall be made without regard to collectibles gain, gain described in paragraph (7)(A)(i), and section 1202 gain.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

By Mr. LIEBERMAN (for himself, Mr. BAYH, Ms. LANDRIEU, Mrs. LINCOLN, Mr. KOHL, Mr. GRAHAM, Mr. BREAUX, Mr. KERRY, Mrs. FEINSTEIN, Mr. CARPER, and Mr. NELSON of Florida):

S. 303. A bill to amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. LIEBERMAN. Mr. President, I rise today to join with several of my colleagues in offering a comprehensive education reform proposal that I believe can serve as the foundation for building a bipartisan legislative consensus and ultimately a better future for our children. It is a common-sense strategy that we believe can be the basis for a common ground solution—reinvest in our public schools, reinvent the way we administer them, and restore a sense of responsibility to the children we are supposed to be serving. Hence the title of our bill: the Public Education Reinvention, Reinvestment, and Responsibility Act, or the Three R's for short.

Our Senate New Democrat Coalition originally proposed this plan, which seeks to bring together the best ideas of both parties into a whole new approach to federal education policy, during the debate last year on the reauthorization of the Elementary and Secondary Education Act. We drew significant interest from Members on both sides of the aisle, as well as from a number of voices in the education reform community, but not enough to overcome the partisan tensions of an election year.

We return to this cause now, at the start of this new session, with the same sense of urgency and a new sense of optimism. Our urgency is driven by the growing public concern about the state of public schools and the consequences of continued inactions. Our optimism is driven by the growing policy consensus about how we in Washington can help our public schools meet the