Mr. Speaker, I know my colleagues will join me in congratulating Gland and Sally Becerra on another successful event and thank them for their dedication and ensure our children receive a rich and rewarding education.

INTERNATIONAL TAX SIMPLIFICATION AND FAIRNESS FOR AMERICAN COMPETITIVENESS ACT OF 2002

HON. AMO HOUGHTON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 2002

Mr. HOUGHTON. Mr. Speaker, today I am introducing a bill, the "International Tax Simplification and Fairness for American Competitiveness Act of 2002." The world economy continues the process of globalizing at a pace unforeseen a few years ago. Our trade laws and practices as well as our commitment to the World Trade Organization have encouraged the expansion of U.S. business interests abroad. However, our tax policy lags behind and seems out of sync with our trade policy. In fact, our international tax policy seems to promote consequences that may be contrary to the national interest.

The United States is the largest trading nation in the world. In 2000, the value of our exports and imports of goods and services was about $2.5 trillion, or 25% of our GDP. Although the U.S. is not as dominant in the world markets as in the past, foreign earnings from 1990–1997 represented a greater percentage (17.7%) of all U.S. corporate net income than 40 years ago (7.5%). So our economy is becoming more trade dependent than ever.

We confront an economy in which U.S. multinationals face far greater competition in global markets. At the same time, U.S. companies depend more than ever on these markets for a much larger share of profits and sales. In light of these circumstances, the effects of tax policy on the competitiveness of U.S. companies operating abroad is of greater consequence today than ever before.

As we continue to discuss fundamental reform of our tax system, I believe it imperative to address the area of international taxation. In an Internal Revenue Code that is a monument to complexity, there is no area that contains as many difficult and complicated rules as international taxation. Further, it cannot be stressed enough as to the importance of continued discussion between the Congress and Treasury to simplify and make fair our international tax laws. The Treasury’s publicly expressed intent to work with Congress this year to pursue meaningful simplification is very encouraging. The Joint Committee on Taxation issued a simplification report last year containing many simplification proposals. Some relating to the international tax area have been included in the bill.

No one is under any illusion that the measure being introduced removes all complexity or breaks bold new conceptual ground. It is also recognized that the enactment of the bill in its entirety is not likely. It is a list of options from which to choose for an appropriate Ways and Means Committee tax bill. I believe, however, that the enactment of any portion of this legislation would be a significant step in the right direction. Likewise, there are cost implications to enactment. There may well be trade-offs in this regard as we pursue other changes in the tax and trade areas. Lastly, the bill attempts to avoid rifle shot provisions or to create situations for abuse. The bill is subject to an ongoing review to make sure these situations do not exist.

The legislation would enhance the ability of the United States to continue as the preeminent economic force in the world. If our economy is to continue to create jobs for its citizens, we must ensure that the foreign provisions of or our income tax law do not stand in the way.

There are many aspects of the current system that should be reformed and greatly improved. These reforms would significantly lower the cost of capital, the cost of administration, and therefore the cost of doing business for U.S.-based firms. This bill addresses a number of such problems, including significant anomalies and provisions whose administrative effects burden both the taxpayers and the government.

The focus of the legislation is to make the international area more rational. In general, the bill seeks in modest but important ways to: (1) simplify this overly complex area, especially in subpart F of the Code and the foreign tax credit mechanisms; (2) encourage exports; and (3) enhance U.S. competitiveness in other industrialized countries.

In summary, the law as now constituted frustrates the legitimate goals and objectives of U.S. businesses and erects artificial and unnecessary barriers to U.S. competitiveness. Neither the largest U.S.-based multinational companies nor the Internal Revenue Service is in a position to administer and interpret the mind-numbing complexity of many of the foreign provisions. Why not then move toward creating a set of international tax rules that taxpayers can understand and the government can administer? I believe the proposed changes in this bill represent a creditable package and a further step toward reform in the international tax area and urge your support.

TRIBUTE TO JOHN "JACK" DELMAGE

HON. DOUG OSE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 2002

Mr. OSE. Mr. Speaker, I rise today to honor a constituent of mine, Private First Class John "Jack" Delmage, who served our nation in combat during World War II. Born March 24, 1919, Jack Delmage was 22 when he volunteered to join the Army as our nation joined the war. This week, more than 50 years later, Jack will finally receive full recognition for his service.

Jack Delmage joined the elite 551st Parachute Infantry Battalion where he earned his Parachutist Badge, known as "Jump" Wings. The 551st has an illustrious record of achievements, including the Army's first daylight combat jump and the capture of the first German general. During his early missions, Jack earned the Combat Parachutist Badge with Bronze Star and the Combat Infantryman's Badge. As a result of his actions on August 15, 1944 in Operation Anvil Dragoon, Jack earned the French Croix de Guerre Medal with Palm and the Presidential Unit Citation for extraordinary heroism displayed during the capture of Draguignan. In addition, the Kingdom of Belgium awarded the 551st a commemorative ribbon for their efforts.

Through an unfortunate misunderstanding, his comrades believed Jack was killed in action during the Battle of the Bulge, and as a result, Jack never received these service medals. I am proud to join Jack Delmage this Saturday, March 23, 2002, in a ceremony to receive the medals and recognition he has earned and deserves.