

victim persecuted for racial or religious reasons by Nazi Germany. Many of the provisions included in H.R. 1292 were included in the tax bill signed by President Bush last year, we are working to make these provisions permanent today.

In August 1998, after many years of effort, Holocaust survivors who had assets withheld by Swiss banks or others finally received justice through a \$1.25 billion settlement. These settlements continue to be distributed to Holocaust survivors and their heirs world-wide.

the settlements return assets to their rightful owners and their heirs more than 50 years after they were first entrusted to their care. Funds have been established by banks and corporations in France, Austria, Italy and Germany to return assets such as bank accounts and insurance policies to Holocaust survivors. With the enactment of the Economic Growth and Tax Relief Reconciliation Act last year, and with H.R. 4823, which we are considering today, we can ensure that any payment, from Swiss banks or other similar sources, will not be taxed. This is clearly the right thing to do because they are receiving back what was always theirs to begin with.

With the average age of Holocaust survivors at 80, the time left to debate these payments is slipping away. Certainly, these payments will make life more comfortable for these survivors in their remaining years. To tax them on these long overdue payments would simply be wrong.

Mr. Speaker, I encourage my colleagues to support this important legislation and I thank you for the opportunity to speak in favor of H.R. 4823.

#### H.R. 4823—HOLOCAUST RESTITUTION TAX FAIRNESS ACT OF 2002

H.R. 4823 will make permanent provisions in the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) that exclude from gross income any restitution payments received by victims of the Nazi Regime or their heirs or estates.

This bill is supported by Conference of Jewish Material Claims Against Germany (Claims Conference), Jewish Community Relations Council of Greater Miami (JCRC), American Jewish Committee (AJC), American Gathering of Jewish Holocaust Survivors, the Jewish Council for Public Affairs (JCPA), United Jewish Communities (UJC), the Religious Action Center of Reform Judaism (RAC) and International Commission on Holocaust Era Insurance.

These tax relief provisions expire or "sunset" on December 31, 2010. After that any restitution payments could be subject to federal taxation.

The sunset (i.e. expiration) of the tax provisions in EGTRRA creates significant risk and uncertainty for tax planning and other important personal decisions for victims of the Holocaust and their families.

#### HOLOCAUST RESTITUTION SETTLEMENTS

In recent years, settlement agreements worth billions of dollars have been reached to compensate Holocaust survivors. It is unknown what future agreements will occur but U.S. tax law should ensure that any and all future payments be excluded from federal taxation.

In addition, millions of dollars of restitution payments are made every year to thousands of survivors of the Holocaust in the form of monthly payments. If this tax provision is not made permanent, thousands of Holocaust survivors could lose over one-third of their restitution to the IRS when EGTRRA expires.

Holocaust survivors are an aging population but current estimates are that there will be 88,000 Jewish Holocaust survivors in 2010 and 37,000 in 2020. A large fraction of these survivors are receiving reparation payments. If this provision is not made permanent, those who suffered at the hands of the Nazis will be forced to share their modest payments with the government.

Not exempting this income from taxation is tantamount to the federal government "profiting" from restitution payments that are compensation for the pain and suffering of Holocaust survivors and their families.

#### INTERNATIONAL CONSIDERATION

The U.S. provision has served as a model for similar legislation in other countries. Specifically, the Russian government has studied and been influenced by the U.S. legislation when crafting a similar provision exempting Holocaust payments to Russian citizens.

Mrs. MALONEY of New York. Mr. Speaker, the United States has a long tradition of recognizing the importance of tax exemptions for the restitution of assets lost during World War II. The tradition began with military law 59 in 1947 and was continued by three treaties with Germany. While I voted against last year's H.R. 1836, I did support the provision exempting restitution payments for Holocaust survivors. That provision proves that the United States has retained its sensitivity to the extraordinary nature and penitent purpose of Holocaust restitution payments.

H.R. 4823 seeks to continue this proud tradition. This bill makes permanent the provision in H.R. 1836 excluding payments to Holocaust victims from taxable income. Without this bill, the exclusion for Holocaust restitution payments, like all aspects of H.R. 1836, will expire on December 31, 2010.

While no amount of money can truly compensate Holocaust survivors for the horrors they endured, in a world where Holocaust denial lives, it is crucial to make strong statements of support for Holocaust survivors. The increase over the past year of Anti-Semitic incidents in Europe makes it an especially important time to stand with those who refuse to condone Anti-Semitism.

Many of the restitution payments have maximum income qualifications. Therefore, much of the restitution goes to individuals with yearly incomes under \$20,000. Furthermore, according to the Jewish Council for Public Affairs, as many as 1.4 million people may receive claims, cutting the payments to individuals to a relatively small amount. For this money to have any real, rather than merely token, significance, the tax exemption must remain.

Australia, Canada, Finland, France, Greece, Hungary, The Netherlands, The United Kingdom, and Israel currently exempt restitution payments from taxation. So do 46 out of the 50 dates. The Federal government must continue to lead the way in supporting Holocaust Survivors. H.R. 4823 ensures that the support will not disappear in 2010.

Mr. CRANE. Mr. Speaker, I rise today in support of H.R. 4823. I am glad that we are moving forward to make permanent the provisions in the Economic Growth and Tax Relief Reconciliation Act.

The Holocaust was one of the worst atrocities committed by man against man. This simple provision will exclude compensatory payments made to victims and their heirs from taxation. Given the fact that an entire generation was nearly wiped out and that those who

survived will never fully recover from the emotional horrors of the Holocaust, this is a small way of compensating the victims. The current tax provisions are due to, "sunset," or expire on December 31, 2010. This instability makes it difficult for Holocaust victims and their families to plan their financial futures.

I find it deplorable to think that the Federal Government would seek to profit from restitution payments that are meant to compensate Holocaust victims and their families. These people have suffered enough. They must not be subjected to legislation that would rob them of over one-third of their rightful compensation.

Mr. Speaker, my brother-in-law and best friend, Andy Ross, survived the Holocaust. He was imprisoned in Belsen concentration camp until being freed by the Allied Forces. I'm not certain if he's eligible for compensation under the agreements worked out in Europe, and quite frankly, that doesn't really matter. What does matter is that while there is absolutely nothing we can do to ever erase the horrors of the Holocaust that are imbedded in the minds and hearts of those, like Andy, who survived this tragedy, we can avoid making it worse by taxing their compensation.

The thought of us promoting such a scheme as taxing these payments makes me absolutely ill.

Today, we are making a decision that might very well be the model for other nations. Therefore, I urge you, to be a role model and vote in favor of H.R. 4823

Mr. CARDIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. SHAW) that the House suspend the rules and pass the bill, H.R. 4823.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SHAW. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

#### GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks and include extraneous material on the subject of H.R. 4823.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

#### REPEALING SUNSET OF ECONOMIC GROWTH AND TAX RELIEF RECONCILIATION ACT OF 2001 WITH RESPECT TO EXPANSION OF CERTAIN ADOPTION PROGRAMS

Mr. CAMP. Mr. Speaker, I move to suspend the rules and pass the bill