equipment, and in some cases new broadcast towers. Collectively, the broadcast industry has invested over a billion dollars into this new technology.

America's broadcasters have demonstrated their commitment to making the DTV transition, but they cannot do it alone. A collaborative effort by the FCC, cable operators, consumer equipment manufacturers and Congress is needed if we are to meet the timetable that has been established. Several issues must still be addressed to build on the progress that broadcasters are making in rolling out digital television to their viewers. In particular, we must work to overcome the economic and technical roadblocks that are currently preventing small broadcasters from successfully launching DTV.

Mr. Speaker, with the continued efforts of our Nation's broadcasters I am sure that we will overcome these obstacles and make a successful transition to DTV. I remain confident that the future of television is digital and I believe that future is bright.

EXPATRIATE LEGISLATION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2002

Mr. RANGEL. Mr. Speaker, today I am introducing legislation to prevent tax avoidance through the device of renouncing one's allegiance to this country.

Citizenship in this country confers extraordinary benefits. Our citizens are able to enjoy the full range of political and economic freedoms that our government ensures. With the benefits of citizenship comes the responsibility to contribute to the common good. Avoiding that responsibility through renouncing citizenship should not be tolerated.

This country is fortunate in that it can depend on the voluntary compliance of its citizens to collect its taxes. In that respect, we are unique in the world. The willingness of our citizens to continue voluntarily to comply with our tax laws is threatened when very wealthy individuals can avoid their responsibility as citizens by turning their backs on this country and walking away with enormous wealth.

I reject any suggestion that my bill is a form of class warfare or motivated by class envy. It is true that my bill will affect only very wealthy individuals. Only very wealthy individuals have the resources necessary to live securely outside the borders of this country as expatriates. Closing a loophole that only the extraordinarily wealthy can utilize is not class warfare. It is a matter of fundamental fairness to the rest of our citizens.

Opponents of effective reform in this area have gone so far as to suggest that those reforms would be inconsistent with our Nation's historic commitment to human rights. I strongly disagree. The individuals affected by the bill are not renouncing their American citizenship because of any fundamental disagreement with our political or economic system. These individuals simply refuse to contribute to the common good in a country where the political and economic system has benefitted them enormously. Some opponents have gone so far as to compare the plight of these wealthy expatriates to the plight of the persecuted Jews attempting to flee Russia. That argument is worthy of contempt. Our bill imposes no barrier to departure. Indeed, most expatriates have physically departed from this country before they renounce their citizenship.

For reasons that continue to puzzle me, there was a bitter partisan dispute in 1995 over this issue. The partisan nature of that debate obscured the fact that there was a genuine bipartisan consensus that tax avoidance by renouncing one's American citizenship should not be tolerated.

The dispute during 1995 involved an argument over the appropriate mechanism to be used to address tax-motivated expatriation. The Clinton Administration, the Senate on a bipartisan basis, and the House Democrats all supported legislation that would have imposed an immediate tax on the unrealized appreciation in the value of the expatriate's assets. The House Republicans supported a provision that imposed a tax on the U.S. source income of the expatriate for the 10-year period following expatriation. Armed with revenue estimates from the Joint Committee on Taxation that showed their version as raising more money, the House Republicans prevailed and, in 1996, enacted their version of the expatriation legislation.

There was an article in Forbes Magazine several years ago that summarized the effect of the 1996 legislation as follows: ''It ain't workin.'' Although the law appears to be draconian on its fact, there are plenty of loopholes. In the first quarter of 1999 alone, a grandson of J. Paul Getty; a son of the shipping magnate Jacob Stoll-Nielsen; and Joseph J. Bogdanovich, the son of the Star-Kist mogul, took advantage of those loopholes. The article suggests that many other expatriates deliberately have lost citizenship without formally renouncing it, believing that was a simple way to avoid the 1996 Act.

The 1996 legislation made several modifications to ineffective prior law expatriation provisions. It eliminated the requirement to show a tax-avoidance motive in most cases and eliminated one simple method of avoiding the rules, involving transfers of U.S. assets to foreign corporations. There were many other ways of avoiding those rules such as delaying gains, monetizing assets without recognition of gains, and investing indirectly through derivatives. Those techniques were left untouched.

The 1996 legislation made no serious attempt to prevent the avoidance of the estate and gift taxes, even though expatriation has been described as the ultimate technique in avoiding estate and gift taxes. Bill Gates, one of the wealthiest individuals in the world, has approximately $90 billion in assets. If he were to die or transfer those assets to his children by gift, the potential liability would be substantial. If Bill Gates were to expatriate, he could immediately make unlimited gifts in cash to his children without any gift tax liability. If he expatriated ten years before he died, his entire $90 billion stake in Microsoft could be transferred to his heirs with no income tax or estate tax ever being imposed on that accumulation of wealth.

Following is a brief summary of my bill.

SUMMARY OF BILL

The bill would impose a tax on the unrealized appreciation in the value of an expatriate's assets. The amount of that tax would be determined as if the expatriate has sold his assets for their fair market value on the date that he expatriates. To the extent that those assets are capital assets, the preferential capital gains tax rate would apply.

The bill exempts the first $600,000 ($1.2 million for a married couple) of appreciation from the tax. It also exempts U.S. real property interests and interests in retirement plans.

The expatriate would be provided an election to defer the tax with interest until the property is sold.

The bill would eliminate the ability to avoid estate and gift taxes through expatriation by imposing a tax on the receipt by U.S. citizens of gifts or bequests from expatriates. The new tax would not apply in circumstances where the gift or bequest was otherwise subject to U.S. estate or gift taxes. In addition, the new tax would be reduced by any foreign estate or gift tax paid on the gift or bequest.

The bill would eliminate the ability to expatriate on an informal basis. It would require a formal renunciation of citizenship before an individual could avoid tax as a U.S. citizen.

Generally, the bill would apply to individuals formally renouncing their citizenship after the date of action by the Committee on Ways and Means. The provisions designed to prevent avoidance of estate and gift taxes would apply to gifts and bequests received after such date.

CONGRATULATIONS TO KANSAS CITY'S DIGITAL BROADCASTERS

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2002

Ms. MCCARTHY of Missouri. Mr. Speaker, the broadcasting business is unique in that it provides its service for free. Most communication mediums, like high-speed Internet, satellite TV, and cable require a subscription. But anyone willing to purchase a TV set and rabbit ears can enjoy local TV.

Three stations in my district have already invested to see that this tradition continues into the digital era. I would like to thank Hearst-Argyle stations KMBC, ABC, and KCWE, UPN, for their recent conversion to digital broadcasting on April 30, 2002, and again praise KCPT, Kansas City's public television station which has been broadcasting a digital signal since November 9, 1998. Actions speak louder than words, and these stations, through their actions, have demonstrated a commitment to the future of free, over the air television. KMBC, KCWE, and KCPT should be commended for making digital television broadcasts available to homes in Missouri's Fifth District.

I look forward to the ongoing transition to digital television, and I commend my local stations for leading the way. Let me offer my thanks and congratulations to them for flipping the digital switch.

HONORING THE WOMEN VETERANS OF AMERICA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 2002

Mr. GEKAS. Mr. Speaker, I would like to take this opportunity to express my deepest