

PROPOSING A TAX LIMITATION
AMENDMENT TO THE CONSTITU-
TION OF THE UNITED STATES

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose H.J. Res. 96, Tax Limitation Constitutional Amendment. There are three key points that are relevant to this constitutional amendment:

This Constitutional Amendment states that any bill changing the internal revenue laws will require approval by two-thirds of the Members of both the House and Senate.

A Constitutional Amendment must pass both houses of Congress by a 2/3 vote before it is passed onto the states for ratification.

Adoption of the 16th amendment in 1913 first allowed direct taxation of the American people by the federal government.

The underlying legislation of H.J. Res. 96, is an attempt to help the most well to do Americans through a constitutional amendment that limits the ability of Congress to raise taxes and cut deficits. It is no secret that this legislation is designed to disproportionately help the richest people in this country.

H.J. Res. 96 could make it difficult to maintain a balanced budget or to develop a responsible plan to restore Medicare or Social Security to long-term solvency. H.J. Res. 96 is a resolution proposing an amendment to the Constitution of the United States of America with respect to tax limitations, that would require any bill, resolution, or other legislative measure changing the internal revenue laws require for final adoption in each House the concurrence of two-thirds of the Members of that House voting and present, unless the bill is determined at the time of adoption, in a reasonable manner prescribed by law, not to increase the internal revenue by more than a de minimis amount.

By requiring a two-thirds supermajority to adopt certain legislation, H.J. Res. 96 diminishes the vote of every Member of the House and Senate, denying the seminal concept of "one person one vote". This fundamental democratic principle insures that a small minority may not prevent passage of important legislation. This legislation presents a real danger to future balanced budgets and Medicare and Social Security.

Under H.J. Res. 96, it would be incredibly difficult obtaining the requisite two-thirds supermajority required to pass important, fiscally responsible deficit-reducing packages. And at a time in our history when the Baby Boomers are now retiring, H.J. Res. 96 could make it more difficult to increase Medicare premiums for those most able to pay their fair share of the bill, and could make it difficult balancing both Medicare and Social Security payroll taxes in the long term.

H.J. Res. 96 would make it nearly impossible to plug tax loopholes and eliminate corporate tax welfare, or even to increase tax enforcement against foreign corporations. H.J. Res. 96 would also make it nearly impossible to balance the budget, or develop a responsible plan to restore Medicare or Social Security to long-term financial solvency.

I am deeply troubled by the concept of divesting a Member of the full import of his or

her vote. As Professor Samuel Thompson, one of this Nation's leading tax law authorities, observed at a 1997 House Judiciary Subcommittee hearing on the same proposal: "the core problem with this proposed Constitutional amendment is that it would give special interest groups the upper hand in the tax legislative process."

By requiring a supermajority to do something as basic as getting the money to run government, H.J. Res. 96 diminishes the power of a member's vote. It is a diminution. It is a disparagement. It is inappropriate, and the fact that this particular amendment has failed seven times in a row suggests that Congress knows it.

H.J. Res. 96 will also make it nearly impossible to eliminate tax loopholes, thereby locking in the current tax system at the time of ratification. The core problem with this proposed constitutional amendment is that it would give special interest groups the upper hand in the tax legislative process. Once a group of taxpayers receives either a planned or unplanned tax benefit with a simple majority vote of both Houses of Congress, the group will then be able to preserve the tax benefit with just a 34 percent vote of one House of Congress.

In addition, H.J. Res. 96 would make it inordinately difficult to make foreign corporations pay their fair share of taxes on income earned in this country. Congress would even be limited from changing the law to increase penalties against foreign multinationals that avoid U.S. taxes by claiming that profits earned in the U.S. were realized in offshore tax havens. Estimates of the costs of such tax dodges are also significant. An Internal Revenue Service study estimated that foreign corporations cheated on their tax returns to the tune of \$30 billion per year.

Another definitional problem arises from the fact that it is unclear how and when the so-called "de minimis" increase is to be measured, particularly in the context of a roughly \$2 trillion annual budget. What if a bill resulted in increased revenues in years 1 and 2, but lower revenues thereafter? It is also unclear when the revenue impact is to be assessed, based on estimates prior to the bill's effective date, or subsequent determinations calculated many years out. Further, if a tax bill was retroactively found to be unconstitutional, the tax refund issues could present insurmountable logistical and budget problems.

I hope that my colleagues take seriously the path H.J. Res. 96 would lead us down were it to be adopted as is, therefore, I urge my colleagues to oppose H.J. Res. 96.

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SPEECH OF

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 2002

Mr. UDALL of Colorado. Mr. Speaker, already this year is nearly half gone. But more than half our year's work remains undone—including consideration of the President's proposal to establish a new Department of Homeland Security. If we are to complete the year's

work on time, we need to put every day to good use. But that's not what we are doing today.

Instead, today the House is again considering a proposed constitutional amendment that was debated, and that failed of approval, just last year. I think that is a waste of time, especially since the proposal does not deserve to pass.

I'm not a lawyer, but it's clear that the language of the proposal is an invitation to litigation—in other words, to getting the courts involved even further in the law-making process. To say that Congress can define when a constitutional requirement would apply, provided that the Congressional decision is "reasonable," is to ask for lawsuits challenging whatever definition might be adopted. Aren't there enough lawsuits already over the tax laws? Do we need to invite more?

But more important than the technical aspects of this proposal, I think it is bad because it moves away from the basic principle of democracy—majority rule.

Under this proposal, there would be another category of bills that would require a two-thirds vote of both the House and the Senate.

That's bad enough as it applies here in the House, but consider what that means in the Senate. There, if any 34 Senators are opposed to something that take a two-thirds vote, it cannot be passed. And, of course, each state has the same representation regardless of population.

Consider what that means if the Senators in opposition are those from the 17 States with the fewest residents.

Looking at the results of the most recent census, the total population of the 17 least-populous states is about 21 million people.

That's a respectable number, but remember that the population of the country is more than 280 million.

So, what this resolution would do would be to give Senators representing about 7 percent of the American people the power to block some kinds of legislation—even if that legislation has sweeping support in the rest of the country, even if it had passed the House by an overwhelming margin, and even if it was responding to an urgent national need.

Right now, that kind of supermajority is needed under the constitution to ratify treaties, propose Constitutional amendments, and to do a few other things.

But this resolution does not deal with things of that kind. It deals only with certain tax bills—bills that under the constitution have to originate here, in the House. Those are the bills that would be covered by this increase in the power of Senators who could represent such a very small minority of the American people.

Why would we want to do that? Are the proponents of this constitutional amendment so afraid of majority rule? Why else would they be so eager to reduce the stature of this body, the House of Representatives, as compared with our colleagues in the Senate?

Remember, that's what this is all about—"internal revenue," however that term might be defined by Congress or by the courts. When Congress debates taxes, it is deciding what funds are to be raised under Congress's Constitutional authority to "pay the debts and provide for the common defense and general welfare of the United States." Those are serious and important decisions, to be sure, but

what is wrong with continuing to have them made under the principle of majority rule—meaning by the members of Congress who represent the majority of the American people?

So, Mr. Speaker, I cannot support this proposed change in the Constitution. Our country has gotten along well without it for two centuries. It is not needed. It would not solve any problem—in fact, it probably would create new ones—and it would weaken the basic principle of democratic government, majority rule. It should not be approved.

IN HONOR OF YONG SOO JUN

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 2002

Mr. TOWNS. Mr. Speaker, I rise today to recognize Yong Soo Jun, who has actively promoted the interests of Korean-American entertainers.

Mr. Jun, who currently lives in Fresh Meadow, New York, moved to New York from Chicago in 1980, and immediately became affiliated with the Korean American Entertainers Association, which at the time, had about thirty members. Over the next six years, Mr. Jun participated in and helped organize many charitable events and performances for the Korean community throughout New York and New Jersey.

In 1986, for business purposes, Mr. Jun moved to Virginia, and spent the next ten years traveling from state to state. During this time, Mr. Jun constantly organized and participated in numerous events, bringing smiles to the faces of virtually everyone with whom he came into contact.

Upon his return to New York in 1996, Mr. Jun picked up where he left off. He immediately resumed his activity with the Korean American Entertainers Association, which by then had increased its membership to about 100, and became President of the organization in 2001. As President, Mr. Jun met Reverend Solomon Y. Kim, the pastor of the Miral Church, in the Bensonhurst section of Brooklyn. Their collaboration has produced many special events, including a performance at Brookdale Hospital's Shulman Institute Nursing Home, and charity events for children with leukemia. A devoted husband and father, Mr. Jun used to view receiving an applause after one of his performances as his ultimate goal, but has found another calling in life in helping others in need.

Therefore, I would like to acknowledge Mr. Yong Soo Jun for his accomplishments and volunteer work for the communities of New York.

TRIBUTE TO CITY OF WESTMINSTER FOR DISTINGUISHED LOCAL GOVERNMENT AWARD

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 2002

Mr. UDALL of Colorado. Mr. Speaker, I rise today to pay tribute to the city of Westminster,

Colorado. This outstanding community was recently recognized at the 40th Annual Excellence in Government Awards Program hosted by the Denver Federal Executive Board as the recipient of the Distinguished Local Government Award.

Westminster, in the Congressional District I am proud to represent, has used the concept of "Improvement through Cooperation" as it strives to improve local services through a series of innovative intergovernmental cooperative agreements with local, state and federal government partners.

The City has taken a leadership role in providing strong, representative management on complex issues that affect citizens living in Westminster and surrounding communities. Westminster led the way in 1980, bringing the cities of Thornton and Northglenn and other stakeholders to set up a water-monitoring program that led to The Clear Creek Watershed Management Agreement in 1994. Over a period of 20 years the original agreement has been expanded to more than 23 entities that benefit from this successful watershed-monitoring program. Water quality has been improved and enhanced and many ancillary groups help in the sampling efforts, sample collection and quality assurance.

In 1986 Westminster negotiated a first of its kind intergovernmental agreement with the city of Thornton to address the development of the Interstate 25 corridor to make a commitment to study and plan for orderly growth and development. The goal was to simplify governmental structure and reduce and avoid friction between the two cities. This groundbreaking agreement crafted a joint land use plan, established annexation and service areas and revenue sharing.

In 1997, Westminster led the way again by taking the leadership on a second intergovernmental agreement with the cities of Broomfield and Thornton to study additional highway interchanges on Interstate 25 as the traffic impacts continued to grow. New intergovernmental agreements were signed, original agreements were amended to meet current needs and the citizens of these communities have highway corridors that are designed to address traffic demands.

Water rights and water quality are concerns for every western city. In a state with limited supplies and an expanding population, carefully negotiated water agreements are critical to limiting legal disputes and preserving financial resources. Fourteen years ago, Westminster provided regional leadership when it signed the Clear Creek Water Quality Agreement with three neighboring cities and the Coors Brewing Company. Citizens have cleaner, more abundant supplies of water and can be proud of the sophisticated legal agreement that has served the partnership for more than a decade.

Regional parks, libraries and recreation facilities have all been enhanced by cooperative agreements with neighboring cities and educational institutions. Strong intergovernmental agreements expand services for local residents in several communities. New golf courses, fitness centers, ice skating arenas and parks with campsites, hiking trails, campgrounds and water recreation all provide exceptional leisure time activities.

On a personal note, I have, on my own, "adopted" a section of the Dry Creek open space in Westminster as a way to help main-

tain the quality of life and the environment of this community. Through these efforts, along with many volunteers, I have witnessed firsthand the pride that the citizens of this city have for their community and its environment. This dedication has also been manifest in the City's extensive oversight of the cleanup of the Rocky Flats facility, a former nuclear weapons production facility that exists just west of Westminster. The City was one of the first to suggest that this site be converted into a national wildlife refuge once it is cleaned and closed.

Westminster continues to find innovative ways to partner with private corporations, sister communities, public officials and local citizens to bring a superior quality of life to its residents. I applaud Westminster for the outstanding examples of cooperative agreements that have been instituted and look forward to their continued success on behalf of the Coloradans they serve.

COMMEMORATING HARRIS COUNTY SHERIFF'S DEPUTY SHANE BENNETT

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 13, 2002

Mr. GREEN of Texas. Mr. Speaker, I rise this evening to honor the memory of a brave law enforcement officer, Harris County Sheriff's Deputy Shane Bennett. Deputy Bennett was killed early Wednesday morning, as he and two other deputies charged into a home and stopped a robbery and assault on an innocent family.

He and his fellow officers were summoned by a 911 call from a teenaged girl. Five gang members had broken into their house, and were in threatening the ten people inside with guns. Tragically, it appears that they had made a mistake, since they were demanding jewelry, money, and drugs, none of which these innocent people possessed.

While only two members of the family were shot, a woman of 22 and her 3 month old son, the outcome could have been much worse if the officers had not arrived and come to the family's rescue.

These assailants were all members of the Latin Kings street gang, and two of them had criminal records, including weapons possession charges. Two of them were killed by the officers, and the rest were tracked down and captured by an intensive manhunt through the nearby woods and homes by officers from a half-dozen local police agencies.

After hearing of the shooting, law-enforcement officers from all over the Houston area gathered at Memorial Hermann Hospital, prepared to roll up their sleeves and give the gift of life for their brother in arms.

Sadly, as they arrived, they were met with the news of Deputy Bennett's death, and could do nothing but comfort his family, and each other.

Shane Bennett, 29 years old, was a member of the class of 1990 at Spring High School, in north Harris County. He had been patrolling the second patrol district, which covers 300 square miles of unincorporated Harris County, since 1997.

His colleagues remember him as a dedicated officer, who loved his job. He was