

reduce complexity for many small businesses by minimizing controversy over whether an item should be expensed or capitalized.

Rollover of Property Held for Productive Use or Investment—Present law strongly favors sophisticated taxpayers over ordinary small business owners in the execution of like-kind exchange transactions. Thirty-seven pages of the Code of Federal Regulations is devoted to the topic of like-kind exchanges, and a library could be filled with the court decisions, revenue rulings, and letter rulings that Section 1031 of the IRC has engendered. Attorneys and exchange facilitators must execute hundreds of thousands of pages of documents each year to comply with the formalistic rule that prevents the owners of like-kind property from receiving cash in a like-kind exchange transaction.

There is a simple way to eliminate this paperwork: repeal the limitation on sales for cash and allow a like-kind exchange within 180 days before or after the disposition of relinquished property. The bill does this.

Repeal of Collapsible Corporation Rules and the Personal Holding Company Tax—Finally, the bill would repeal the collapsible corporation rules and the Personal Holding Company tax, both of which regimes have been largely eclipsed by subsequent changes to the tax code. The Collapsible Corporation rules have lost their rationale, due to the repeal of the General Utilities doctrine. The Personal Holding Company tax no longer serves its original purpose, because the maximum individual income tax rate is close to the maximum corporate rate. Both provisions continue to add complexity to small business tax planning that is out of proportion to their remaining tax policy justification. Repeal of these rules is long overdue.

I urge my colleagues to join me in cosponsoring this legislation.

ELIMINATION OF DOUBLE TAXATION ON DIVIDENDS, REPEAL OF THE AMT, REDUCTION IN THE CAPITAL GAINS TAX, AND STUDY ON DEPRECIATION TAX SCHEDULES

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 2003

Mr. COLLINS. Mr. Speaker, I rise today to introduce several tax-based reform bills which will have a positive impact on our current economy. They are measures which will stimulate growth, eliminate outdated, punitive provisions of the tax code, and prepare the way for further reforms which will bring our tax code more in line with the current market conditions.

First, is the Capital Gains Tax Rate Reduction Act. This legislation will reduce the top capital gains tax rate from 20 percent to 10 percent. Additionally, the lower rate of 10 percent would be reduced to 5 percent. The measure would also repeal the five year holding rule.

This legislation is needed to spur today's ailing economy. From past rate reductions, we know that the economy responds to the lowering of rates. The impact of reducing the tax burden on investments is to increase activity

in the markets. When the tax is reduced, individuals have an incentive to sell assets. These sales spur economic growth, as well as generate revenue for the Federal coffers.

Second is the Alternative Minimum Tax Repeal Act (AMT). This legislation will repeal the Alternative Minimum Tax applied to individual taxpayers. The domestic tax system has dramatically changed since the creation of the AMT regime. Consequently, this tax structure has long outlived its purpose. Today, the AMT is punitive in nature, overly cumbersome and affects taxpayers who were never intended to fall into this tax trap. Congress has taken action to address some of the concerns raised by the individual AMT. Specifically, the Economic Growth and Tax Relief Reconciliation Act (H.R. 1836) enacted in the 107th Congress made permanent the ability to offset the individual AMT calculation with the child tax credit. The measure also increased the AMT exemption amount by \$4,000 for joint returns (\$2,000 for unmarried individuals) effective for tax years between 2001 and 2004. In tax year 2005, the AMT exemption amount reverts back to its previous levels.

Additionally, the Job Creation and Worker Assistance Act, signed into law on March 9, 2002, provides for another temporary extension of the provisions which allow individuals to use all remaining personal tax credits against both their regular and AMT tax. These provisions expire at the end of the 2003 tax year. It is time for a permanent fix to this escalating problem. The impact of the individual AMT structure will continue to grow until these issues are addressed head on. Changes should be made on a long-term, permanent basis.

To provide a permanent remedy to the increasing problem of more tax filers falling into the AMT each year, my legislation will permanently extend the current-law provision which allows all personal tax credits to be applied against the AMT calculation. The proposal will also immediately increase the AMT income exemption level by 10 percent, and subsequently increase the exemption by 10 percent in subsequent years. In addition, the bill will repeal the income limitation that currently applies to that exemption. Finally, at the end of a ten year period, the individual AMT will fully be repealed.

The bill will also repeal the corporate AMT. The U.S. is the only nation which imposes the Alternative Minimum Tax (AMT) on businesses. It is a very complex and outdated dual tax system which essentially imposes a tax penalty for making capital investments. The legislation would also allow businesses to utilize their accrued AMT credits over the next five years.

Third is the Elimination of Double Taxation Act. Today dividends paid to investors are double taxed at the business level and then at the individual level. Today, investors are all across the economic spectrum. According to the Tax Foundation, 63.6 percent of the taxpayers who claimed dividends on 2000 tax returns earned less than \$50,000 in wages and salaries. More and more, investors are men and women who are working on the front line of manufacturing firms or small businesses who have chosen to share in the benefit of their labor through investing in the business. This legislation will eliminate a cost that the government imposes on that investment.

Finally, I am introducing legislation that will begin the process of reforming current depre-

ciation schedules in the tax code. Depreciation tax laws provide businesses the ability to deduct the costs of capital investments over time. Current depreciation schedules are dramatically out of line with the real economic life and use of the properties that are being purchased in today's markets. Often the number of years allowed for the deduction exceeds the number of years the investor may finance the capital investment. The result is a higher tax cost. This legislation will call upon the Secretary of the Treasury to make specific recommendations about how to bring the depreciations schedules more in line with the true economic life of property.

Mr. Speaker, I congratulate the President on his announcement of an economic stimulus package today. I ask my colleagues in the House of Representatives to join me by cosponsoring the legislation I am introducing. They are important first steps in addressing the need to change the tax code in ways that will provide economic stimulus across the board for American workers.

THE CONSUMER PROTECTION FOR ON-LINE GAMES ACT

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 2003

Ms. KILPATRICK. Mr. Speaker, the gaming industry has broadened its exposure over on-line and wireless communications networks. People do not have to go to casinos in Las Vegas, Reno, Detroit, Atlantic City or other gaming sites to gamble. They can play games of chance over the Internet from the privacy of their own homes.

According to one financial analysis, Internet gambling is a \$1 billion industry and is forecasted to grow to \$5 billion by 2005. There are nearly 1 million paying users of the largest network games and free sweepstakes sites which are among the most popular Internet destinations.

Many of the network gaming sites originate from offshore websites, and are beyond the reach of States and local authorities, even those authorities that prohibit Internet gaming in their jurisdictions. Local and state governments devote few resources to regulate or enforce laws against network gaming. No protections exist to ensure the integrity of the game, protection from minors seeking to patronize games, or protection from excessive financial loss. Therefore, network gaming continues with very little regulation and with very few guarantees that the games of chance or sweepstakes one finds on internet sites are above board.

The Consumer Protection for On-line Games Act, which I am introducing today, will allow U.S. consumers to know if the games they are playing are fraudulent. The bill will permit U.S. consumers to participate in online games with the security of knowing they are playing from a straight deck of cards. Specifically, the bill proposes the following:

1. Establishes the Federal Trade Commission as the agency responsible for monitoring games of chance offered on the Internet or wireless network.

2. Prohibits network game operators subject to U.S. law from making false or misleading claims regarding the fairness of such games.

3. Requires self-regulatory organizations to comply with specific minimum requirements.

4. Specifies that States must notify the FTC when it brings action against a network game provider and allows the FTC to intervene in any action brought on by the state and file petitions for appeal.

I know feelings run strong on both sides of the gaming question. It is a policy area with which I have some issues. The fact exists, however, that gaming websites are available for everyone's entertainment. It is my hope that this legislation will prevent present and future abuses and reduce the incidence of fraud. America has a chance to become a leader in this emerging global industry, but we presently lag behind other countries which are dealing honestly and openly with the issue of on-line gaming.

I hope that Congress will seriously study this proposal and raise the level of debate on this issue. I look forward to working with my colleagues to improve this measure as it travels through the legislative process.

ROUTE 11 GREENWAY ACT OF 2003

HON. ROB SIMMONS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 2003

Mr. SIMMONS. Mr. Speaker, I rise today to introduce my first legislative initiative of the 108th Congress—the "Route 11 Greenway Act of 2003." This bill authorizes the Secretary of Transportation to acquire land for a greenway along the proposed construction of Route 11 in eastern Connecticut.

Route 11 is a state road, initially intended to connect Connecticut's state capital region to its southeastern shoreline, making it a vital transportation link for the region. The road has been unfinished for over thirty years. As a result, traffic is forced onto Route 85—a local, 2-lane, 18th-century country road incapable of absorbing today's volume of traffic in a safe and efficient manner. And the problem is only getting worse.

The site of numerous accidents—and many of those fatal—the Federal Highway and Transit Administration gives the Route 11 corridor a failing service grade in many places and projects mostly failing grades in the coming years as traffic increases.

The bottom line is simple: the completion of Route 11 is critical to the safety of Connecticut motorists. And further inaction is unacceptable.

Unfortunately, the environmental review process has delayed completion of Route 11 for three decades. Connecticut travelers have paid the price for this delay—some of them, with their lives. This is unacceptable.

I am here today to reject the idea that environmental concerns and transportation safety are mutually exclusive ideals. In fact, I have long believed that environmental stewardship and transportation projects do not have to be inherently competitive pursuits. Instead, if we are willing, these interests can serve each other.

That is why I stand before my colleagues today to introduce legislation establishing a greenway along the proposed construction of Route 11, from Salem to Waterford, Connecticut.

My bill specifies that the land acquired for this greenway will be in addition to any land otherwise required to mitigate the environmental impacts of the roadway construction.

This region has seen rapid sprawl and unprecedented economic change, making it increasingly ripe for growing development. Knowing this, the Route 11 and greenway projects offer an environmental opportunity to preserve land that will otherwise be lost to development. This is a win-win. It is time to move forward.

The completion of Route 11 and an associated greenway have been unanimously endorsed by the chief elected officials of the twenty municipalities in the region acting through the Southeastern Connecticut Council of Governments.

I am honored to have the support of several of my Connecticut colleagues for this bill and proud to introduce this important legislation in the interests of environmental preservation and the safety of Connecticut motorists. I look forward to working with my colleagues in passing the Route 11 Greenway Act of 2003.

TRIBUTE TO BEN R. DRAKE, PRESIDENT OF THE TEMECULA VALLEY WINEGROWER'S ASSO- CIATION

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 2003

Mr. CALVERT. Mr. Speaker, I rise today to honor and pay tribute to an individual whose dedication and contributions to Southern California are exceptional. Southern California has been fortunate to have dynamic and dedicated community leaders who willingly and unselfishly give time and talent to making their communities a better place to live and work. Bob Drake is one of these individuals. On January 8, 2003, Ben will be stepping down as President of the Temecula Valley Winegrower's Association after a year of dedicated service.

The Temecula Valley Winegrowers Association represents 17 wineries and 49 grower members in their efforts to promote the making and growing of quality wine and winegrapes in the Temecula Valley appellation located in Riverside County. During his year as president, Ben has shown exemplary leadership skills as he has guided the association through a period of dynamic growth, vital to the associations' representation and promotion as one of the world's premiere wine and winegrape producing regions.

Ben has represented the association on critical community and political matters, such as land use, beautification efforts, state shipping restrictions and continuing issues dealing with Pierce's Disease and the glass-winger sharpshooter. He has worked diligently to keep open lines of communication with our membership, regional vintner and grower groups and elected officials.

Ben has placed much of his energy and focus on enhancing the recognition of the region as one of quality through educating association members through monthly enology and viticulture seminars. He has made himself available for countless media interviews and community outreach programs. Because of his personal and intensive involvement with asso-

ciation fundraising activities, he is leaving the association in a position of strength and financial stability.

Ben's diligent work as the Temecula Valley Winegrower's Association has contributed unmeasurably to the betterment of Riverside County. His involvement in the community makes me proud to call him a fellow community member, American and friend. I know that all of the residents of Riverside County are grateful for his service and salute him as his term comes to an end. I look forward to working with him in the future for the good of our community.

RECOGNIZING THE ACCOMPLISH- MENTS OF RICK WINDBIGLER

HON. DARRELL E. ISSA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 2003

Mr. ISSA. Mr. Speaker, I rise today to recognize Rick Windbigler the 2002 President of the Fallbrook, California Chamber of Commerce. Rick Windbigler is an exceptional community leader, business leader and model citizen of Fallbrook.

Mr. Windbigler has provided leadership by working on programs of importance to Fallbrook and San Diego County with local, county, state and federal officials. His work on the Gavilan Fire Victims Fund, Keep Fallbrook Clean and Green, Valley Center Mexican fruit-fly emergency and Christmas programs with the Marine Corps are all examples his outstanding leadership skills.

In addition to his leadership he has been a model of personal involvement. Rick has assisted in such community projects as the redecoration of the chamber's office, placing flags on Main Street, Avocado Festival logistics, volunteering during Holiday celebrations and attending hundreds of events to represent the Fallbrook Chamber and its members.

Rick has demonstrated his community leadership in many successful chamber programs which has resulted in an increase in chamber membership. Under Rick's leadership the Fallbrook Chamber experienced a year of record breaking fundraising with successful events such as the Honorary Mayor Race and Golf Tournament, record attendance at the Avocado Festival, SunDowners, Friendly Village Forums and Christmas Parade.

Mr. Speaker, I would like to personally thank Mr. Windbigler for his service to the people of Fallbrook and wish him good fortune in the future.

RESTORATION OF FAIRNESS IN IMMIGRATION ACT OF 2003

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 2003

Mr. CONYERS. Mr. Speaker, I have introduced today the "Restoration of Fairness in Immigration Act of 2003."

Since this nation's founding, more than 55 million immigrants from every continent have settled in the United States. Immigrants work hard to make ends meet and pay taxes every