

precondition for resolving the final status issue through self-determination is a democratic government in Kosovo in which human rights, including the rights of religious and ethnic minorities, are respected.

Therefore, the Resolution calls for holding a referendum on final status, once requisite progress has been made toward meeting the UN benchmarks, endorses continued cooperation with other international organizations, and supports continued U.S. economic assistance to encourage further development.

Rebuilding a society shattered by a vicious war is a frustrating, time-consuming effort. There is an undeniable temptation to heed the siren song of a declaration of independence. But short-term gratification usually leads to more severe long-term problems, and the case of Kosovo is no exception. The international cooperative efforts of KFOR, the UN, the OSCE, and various other governmental and non-governmental bodies are making slow but steady progress. We should continue down this path, which is precisely what my Resolution advocates.

I hope other members will join me in supporting the people of Kosovo in their efforts, through concrete political and social progress, to advance a decision on their final political status.

AMENDMENTS SUBMITTED & PROPOSED

SA 623. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004; which was ordered to lie on the table.

SA 624. Mr. BAUCUS proposed an amendment to amendment SA 555 proposed by Mr. GRASSLEY to the bill S. 1054, supra.

SA 625. Mr. HATCH (for himself, Mr. BREAUX, Mrs. LINCOLN, Mr. SMITH, and Mr. ALLARD) submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 626. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 627. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 628. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 629. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 630. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 631. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 632. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 633. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 634. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 635. Mr. LEVIN (for himself and Mr. REID) submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 636. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 637. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1054, supra; which was ordered to lie on the table.

SA 638. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 639. Mr. SESSIONS (for himself and Mr. ALLEN) submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 640. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 641. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 642. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 643. Mr. KERRY submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 644. Mr. BAUCUS (for himself and Mr. GRASSLEY) submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 645. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 646. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 647. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 648. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 649. Mr. GRAHAM of Florida submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 650. Mr. KENNEDY (for himself, Mr. FEINGOLD, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill H.R. 1298, to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes; which was ordered to lie on the table.

SA 651. Mr. SCHUMER (for himself, Mr. DEWINE, and Ms. LANDRIEU) submitted an amendment intended to be proposed by him to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004.

SA 652. Mrs. CLINTON (for herself and Mrs. BOXER) proposed an amendment to the bill H.R. 1298, to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes.

SA 653. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004; which was ordered to lie on the table.

SA 654. Mr. BINGAMAN (for himself, Mr. ENZI, Mrs. LINCOLN, Mr. SMITH, and Mr. NELSON of Nebraska) submitted an amendment

intended to be proposed by him to the bill S. 1054, supra.

SA 655. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 656. Mr. DASCHLE proposed an amendment to the bill S. 1054, supra.

SA 657. Mr. INOUE submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 658. Mr. INOUE submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 659. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 660. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 1054, supra; which was ordered to lie on the table.

SA 661. Mr. MCCAIN (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 662. Mr. EDWARDS (for himself, Mr. MCCAIN, and Mr. GRAHAM of South Carolina) submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 663. Mr. BREAUX proposed an amendment to the bill S. 1054, supra.

SA 664. Mr. NICKLES (for himself, Mr. MILLER, Mr. KYL, Mr. LOTT, Mr. BUNNING, Mr. CRAPO, Mr. GRAHAM of South Carolina, Mr. BENNETT, Mr. FRIST, Mr. MCCONNELL, Mr. SANTORUM, Mr. ENSIGN, Mr. SMITH, Mr. THOMAS, Mr. DOMENICI, and Mr. ALLARD) proposed an amendment to the bill S. 1054, supra.

SA 665. Mr. REID (for himself and Mr. GRAHAM of Florida) submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 666. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 667. Mrs. BOXER proposed an amendment to the bill S. 1054, supra.

SA 668. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 669. Mr. DURBIN proposed an amendment to the bill S. 1054, supra.

SA 670. Mr. SANTORUM (for himself and Mr. NELSON of Nebraska) proposed an amendment to the bill S. 1054, supra.

SA 671. Mr. LAUTENBERG (for himself, Mr. CORZINE, Mr. LEAHY, Mrs. MURRAY, and Mr. REID) submitted an amendment intended to be proposed by him to the bill H.R. 1298, to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes; which was ordered to lie on the table.

SA 672. Mr. REED (for himself, Mr. CORZINE, Ms. MIKULSKI, Mr. KERRY, Mr. ROCKEFELLER, Ms. LANDRIEU, and Mr. SARBANES) proposed an amendment to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004.

SA 673. Mr. DEWINE submitted an amendment intended to be proposed by him to the bill S. 1054, supra.

SA 674. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 1298, to provide assistance to foreign countries to combat HIV, tuberculosis, and malaria, and for other purposes; which was ordered to lie on the table.

SA 675. Mr. KENNEDY (for himself, Mr. MCCAIN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. LEVIN, Mr. SCHUMER, Mr. PRYOR, Mr. JOHNSON, and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill H.R. 1298, supra; which was ordered to lie on the table.

SA 676. Mr. DURBIN proposed an amendment to the bill H.R. 1298, *supra*.

SA 677. Mr. LEAHY (for himself and Mrs. CLINTON) submitted an amendment intended to be proposed by him to the bill H.R. 1298, *supra*; which was ordered to lie on the table.

SA 678. Mr. DORGAN (for himself, Mr. LEAHY, Mr. DASCHLE, Mr. NELSON of Florida, and Mr. HARKIN) proposed an amendment to the bill H.R. 1298, *supra*.

SA 679. Mr. LAUTENBERG (for himself, Mr. REID, Mr. CORZINE, Mr. LEAHY, Mrs. MURRAY, and Mrs. BOXER) submitted an amendment intended to be proposed by him to the bill H.R. 1298, *supra*; which was ordered to lie on the table.

SA 680. Mr. GRASSLEY proposed an amendment to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004.

SA 681. Mr. KENNEDY (for himself, Mr. MCCAIN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. LEVIN, Mr. SCHUMER, Mr. PRYOR, and Mr. JOHNSON) proposed an amendment to the bill H.R. 1298, to provide assistance to foreign countries to combat HIV, tuberculosis, and malaria, and for other purposes.

SA 682. Mrs. FEINSTEIN (for herself, Mr. LEAHY, Mr. DURBIN, Mrs. CLINTON, Mr. JEFFORDS, Mr. HARKIN, Mr. LAUTENBERG, Mr. REID, Mr. SCHUMER, Mr. CORZINE, Mrs. BOXER, Mr. FEINGOLD, and Mr. BIDEN) proposed an amendment to the bill H.R. 1298, *supra*.

SA 683. Mr. FRIST (for Mr. DODD) proposed an amendment to the bill S. 535, to provide Capitol-flown flags to the families of law enforcement officers and firefighters killed in the line of duty.

SA 684. Mrs. BOXER proposed an amendment to the bill H.R. 1298, to provide assistance to foreign countries to combat HIV/AIDS, tuberculosis, and malaria, and for other purposes.

SA 685. Mr. DODD proposed an amendment to the bill H.R. 1298, *supra*.

SA 686. Mr. BIDEN (for himself and Mr. LEAHY) proposed an amendment to the bill H.R. 1298, *supra*.

TEXT OF AMENDMENTS

SA 623. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004; which was ordered to lie on the table; as follows:

On page 281, between lines 2 and 3, insert the following:

SEC. ____. **\$2,500,000,000 INCREASE IN NEW MARKETS TAX CREDIT FOR 2003.**

(a) IN GENERAL.—The table contained in paragraph (1) of section 45D(f) (relating to national limitation on amount of investments designated) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by striking subparagraph (B) and inserting the following new subparagraphs:

“(B) \$1,500,000,000 for 2002,

“(C) \$4,000,000,000 for 2003.”.

(b) ALLOCATION RULES.—Section 45D(f)(2) (relating to allocation of limitation) is amended by adding at the end the following new flush sentence:

“For purposes of the preceding sentence, \$2,500,000,000 of the new markets tax credit limitation for 2003 shall be allocated within 18 months after the date of the enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003 by the Community Development Financial Institutions Fund.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 2002.

On page 19, lines 12 and 13, strike “(20 percent in the case of taxable years beginning after 2007)” and insert “(15 percent in the case of taxable years beginning after 2007 and 20 percent in the case of taxable years beginning after 2008)”.

On page 26, lines 18 and 19, strike “(80 percent in the case of taxable years beginning after 2007)” and insert “(85 percent in the case of taxable years beginning after 2007 and 80 percent in the case of taxable years beginning after 2008)”.

On page 26, lines 21 and 22, strike “(80 percent in the case of taxable years beginning after 2007)” and insert “(85 percent in the case of taxable years beginning after 2007 and 80 percent in the case of taxable years beginning after 2008)”.

SA 624. Mr. BAUCUS proposed an amendment SA 555 proposed by Mr. GRASSLEY to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004; as follows:

On page 2, strike line 13 and insert:

(b) INCREASE IN PENALTIES.—

(1) ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 is amended—

(A) by striking “\$100,000” and inserting “\$250,000”,

(B) by striking “\$500,000” and inserting “\$1,000,000”, and

(C) by striking “5 years” and inserting “10 years”.

(2) WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking “misdemeanor” and inserting “felony”, and

(ii) by striking “1 year” and inserting “10 years”, and

(B) by striking the third sentence.

(3) FRAUD AND FALSE STATEMENTS.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking “\$100,000” and inserting “\$250,000”,

(B) by striking “\$500,000” and inserting “\$1,000,000”, and

(C) by striking “3 years” and inserting “5 years”.

(c) EFFECTIVE DATE.—The amendments made by

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SA 625. Mr. HATCH (for himself, Mr. BREAUX, Mrs. LINCOLN, Mr. SMITH, and Mr. ALLARD) submitted an amendment intended to be proposed by him to the bill S. 1054, to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004; as follows:

At the end of title V add the following:

Subtitle D—Provisions Relating To S Corporation Reform and Simplification

PART I—MAXIMUM NUMBER OF SHAREHOLDERS OF AN S CORPORATION

SEC. 541. MEMBERS OF FAMILY TREATED AS 1 SHAREHOLDER.

(a) IN GENERAL.—Paragraph (1) of section 1361(c) (relating to special rules for applying subsection (b)) is amended to read as follows:

“(1) MEMBERS OF FAMILY TREATED AS 1 SHAREHOLDER.—

“(A) IN GENERAL.—For purpose of subsection (b)(1)(A)—

“(i) except as provided in clause (ii), a husband and wife (and their estates) shall be treated as 1 shareholder, and

“(ii) in the case of a family with respect to which an election is in effect under subparagraph (E), all members of the family shall be treated as 1 shareholder.

“(B) MEMBERS OF THE FAMILY.—For purpose of subparagraph (A)(ii), the term ‘members of the family’ means the common ancestor, lineal descendants of the common ancestor and the spouses of such lineal descendants or common ancestor.

“(C) COMMON ANCESTOR.—For purposes of this paragraph, an individual shall not be considered a common ancestor if, as of the later of the effective date of this paragraph or the time the election under section 1362(a) is made, the individual is more than 6 generations removed from the youngest generation of shareholders.

“(D) EFFECT OF ADOPTION, ETC.—In determining whether any relationship specified in subparagraph (B) or (C) exists, the rules of section 152(b)(2) shall apply.

“(E) ELECTION.—An election under subparagraph (A)(ii)—

“(i) must be made with the consent of all persons who are shareholders (including those that are family members) in the corporation on the day the election is made,

“(ii) in the case of—

“(I) an electing small business trust, shall be made by the trustee of the trust, and

“(II) a qualified subchapter S trust, shall be made by the beneficiary of the trust,

“(iii) under regulations, shall remain in effect until terminated, and

“(iv) shall apply only with respect to 1 family in any corporation.”.

(b) RELIEF FROM INADVERTENT INVALID ELECTION OR TERMINATION.—Section 1362(f) (relating to inadvertent invalid elections or terminations), as amended by this Act, is amended—

(1) by inserting “or under section 1361(c)(1)(A)(ii)” after “section 1361(b)(3)(B)(ii)” in paragraph (1), and

(2) by inserting “or under section 1361(c)(1)(E)(iii)” after “section 1361(b)(3)(C)” in paragraph (1)(B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 542. INCREASE IN NUMBER OF ELIGIBLE SHAREHOLDERS TO 100.

(a) IN GENERAL.—Section 1361(b)(1)(A) (defining small business corporation) is amended by striking “75” and inserting “100”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 543. NONRESIDENT ALIENS ALLOWED AS BENEFICIARIES OF AN ELECTING SMALL BUSINESS TRUST.

(a) IN GENERAL.—Section 1361(b)(1)(A)(i)(I) is amended by inserting “(including a non-resident alien individual)” after “individual”.

(b) CONFORMING AMENDMENT.—Clause (v) of section 1361(c)(2)(B) is amended by adding at the end the following new sentence: “This clause shall not apply for purposes of subsection (b)(1)(C).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

PART II—TERMINATION OF ELECTION AND ADDITIONS TO TAX DUE TO PASSIVE INVESTMENT INCOME

SEC. 544. MODIFICATIONS TO PASSIVE INCOME RULES.

(a) INCREASED PERCENTAGE LIMIT.—

(1) IN GENERAL.—Subsection (a)(2) of section 1375 (relating to tax imposed when passive investment income of corporation having accumulated earnings and profits exceeds 25 percent of gross receipts) is amended by striking “25 percent” and inserting “60 percent”.