

wish Taylor Elementary School all the best of luck in their future endeavors.

INTRODUCTION OF A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO ALLOW A CREDIT AGAINST THE ALTERNATIVE MINIMUM TAX WHERE STOCK ACQUIRED PURSUANT TO AN INCENTIVE STOCK OPTION IS SOLD OR EXCHANGED AT A LOSS

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 2004

Mr. GERLACH. Mr. Speaker, I am pleased to rise today to ask for my colleagues' support on a bill I recently introduced. The bill will remedy a great injustice inflicted upon numerous taxpayers as a result of the operation of the Alternative Minimum Tax, AMT, system on the sale of shares of stock acquired by the exercise of incentive stock options, ISOs.

Many companies offer ISOs to reward the innovation and loyalty of their employees. Instead of being a reward, however, this generosity can result in an exorbitant tax burden on the employee. To illustrate, imagine an employee chooses to exercise his or her ISO to purchase 1,000 shares at \$10 each when the fair market value of those shares is \$100 per share. On paper, the employee just made \$90,000. At the end of the tax year, the AMT forces the employee to pay a tax on the \$90,000 gain of more than \$25,000, based on a taxpayer earning \$75,000 per year and supporting a family of four.

ISOs often require an employee to hold shares for a certain period of time. In my illustration, the employee is finally able to sell his shares a year later when, as has been the case many times over during the recent years, the unpredictability of the market forces the stock price down to \$40 per share. The employee gains \$30 per share for a total gain of \$30,000. The employee, however, already paid taxes on a \$90,000 gain. The tax liability on a \$30,000 gain is just over \$9,000—approximately \$16,000 less than what was paid in the year the ISOs were exercised. Due to the complicated nature of the AMT tax system, it could take the employee up to 11 years to recover that additional money paid to IRS on a liability that he did not really owe. That is money that our economy badly needs to be reinvested.

My bill will rectify this injustice in our tax system by amending the Internal Revenue Code to allow an immediate refundable credit in the tax year a taxpayer sells his or her shares, when that sale is made at a fair market value which is less than the fair market value used to determine the tax in the year the ISO was exercised. This refundable credit will merely be a return of money that the individual taxpayer paid into the general revenue but which he or she did not actually owe.

I ask all Members to join me in this effort to rectify this unbearable and unjustified tax burden from many middle-income families.

UNCLE ARTHUR AND ORVILLE WRIGHT

HON. ROB SIMMONS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 2004

Mr. SIMMONS. Mr. Speaker, earlier this month the media reported that Rover and Opportunity were exploring the Martian surface. Mars is about 35 million miles from Earth, yet man can reach that alien world.

On December 17, 1903, at Kitty Hawk, North Carolina, an equally awe-inspiring event took place. It was there that Wilbur and Orville Wright gave birth to man's ability to fly by successfully testing the first powered, heavier-than-aircraft that achieved sustained flight with a pilot aboard. The first flight was only 120 feet, far less than the distance to Mars, but that single event defined the 20th Century.

In the December 2003 issue of Aircraft Owners and Pilots Association Magazine, I learned, through an article written by my brother, Tom Simmons, that our family has a connection to the Wright Brothers. Our Great Uncle Arthur Ruhl was one of only six journalists in May 1908 to watch the Wright Brothers work with their aircraft at Kitty Hawk. An article about what Uncle Arthur saw appeared in *Colliers* magazine on May 30, 1908. But this story doesn't end with Uncle Arthur's article. He sent a copy of his story to the Wright Brothers and Orville sent back a warm reply. Emboldened by the inventor's response, and his own curiosity, Uncle Arthur wrote back and asked if he could take a flight. Orville responded that they had so many requests they were limiting their passengers to Army officials.

Undaunted, Uncle Arthur continued his correspondence with Orville Wright. By 1910 the Wright Brothers were exhibiting their aircraft because the public was paying to watch the flights. Who should be covering one of the exhibitions for *Colliers Weekly* but Uncle Arthur. He was watching Orville Wright train one of his students when the inventor extended the long sought invitation.

Uncle Arthur found the adventure exhilarating. He wrote, "It was now that we seemed, indeed, to be going like the wind—a wonderful sensation, like nothing else, so near to the earth, yet spurning it."

I fly between Washington and my home in Connecticut just about every weekend. Today air travel does not inspire the awe described by Uncle Arthur. But it is an amazing thing—the ability to fly thousands of miles around the world in a matter of hours, or to set foot on a planet that our ancestors looked at every night with amazement and wonder. I can now look at flight through the eyes of my Uncle Arthur; and I will probably never look at the trip between Washington and Connecticut so casually ever again.

HONORING THE JUNIOR LEAGUE OF LUBBOCK

HON. RANDY NEUGEBAUER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 2004

Mr. NEUGEBAUER. Mr. Speaker, I rise today to honor and acknowledge the Junior

League of Lubbock as they celebrate their 50th Anniversary. Through the course of my life, I have seen the Junior League do amazing things. As their mission statement reads, they were created to be "an organization of women committed to promoting volunteerism, developing the potential of women, and improving our community through the effective action of trained volunteers". As innovative and radical as this mission statement sounded half a century ago, the League stands firm today, backed by a half century of successes.

In February of 1954, the Junior Welfare League of Lubbock was born into the Association of Junior Leagues International. Armed with a charter that was approved on March 15 of the same year, theirs has been a story of untiring determination and commitment. They have, over the past fifty years, been the gateway for several incredible women who have dedicated themselves to the cause of society. The League has consistently helped these women gain invaluable training and leadership skills, while providing for innumerable volunteer opportunities. Moreover, the fundraisers conducted by the organization over past years have borne fruit in the form of approximately three million dollars. This amount has added to the sparkle of the Lubbock community in the form of several outstanding and worthwhile projects. For example, Ronald McDonald House, Safety City, Fire Safety House, Children's Advocacy Center, and Legacy Play Village are just a few of their many noted accomplishments.

In this age and era, one often hears of how the cloud of selfishness and distrust has eclipsed our world. However, looking upon an organization like the Junior Welfare League of Lubbock, one cannot help but experience the light of compassion and giving that motivates it. It is even more impressive when one considers the discipline with which the volunteers work and coordinate. Without doubt, the League has whole-heartedly striven to fulfill the goals that they set when they were first formed.

The 183rd member to join the Association of Junior Leagues International, the Lubbock League is named as one of its finest chapters today. Indeed, it is impossible to imagine Lubbock without its beloved Junior Welfare League. Through their various volunteer projects, the organization has been instrumental in propelling Lubbock's growing prosperity. More importantly, it has served to act as an influential wind wane for the youth, and has repeatedly inspired the community to take up more volunteer projects. The organization's integrity and service-minded approach has endeared it to all the residents of Lubbock, and I am sure that I am not alone when I say that it has become a part of Lubbock history and society.

To dream of social work is not difficult. However, to actually persevere toward implementing that dream is not easy because it takes a lot of dedication, creativity and initiative. And so, when we celebrate 50 years of existence of the Lubbock's Junior Welfare League, we are actually celebrating those qualities and people that have made these 50 years a successful reality.

Mr. Speaker, please join me in extending my hearty congratulations to the Junior League of Lubbock. I applaud them and extend my sincere wishes for all their future endeavors.