NAYS—193

Abercrombie
Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Chandler
Clay
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Porter
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu

NOT VOTING—19

Ballance
Burr
Capito
DeMint
Deutsch
English
Greenwood
Johnson, Sam
Jones (OH)
Kaptur
Leach
Maloney
Norwood
Owens
Oxley
Tancredo
Tauzin
Walsh
Weldon (PA)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SWEENEY) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1640

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3473

Mr. HOLDEN. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 3473.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CHILD CREDIT PRESERVATION AND EXPANSION ACT OF 2004

Mr. CAMP. Mr. Speaker, pursuant to House Resolution 644, I call up the bill (H.R. 4359) to amend the Internal Revenue Code of 1986 to increase the child tax credit, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 644, the bill is considered read for amendment.

The text of H.R. 4359 is as follows:

H.R. 4359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Credit Preservation and Expansion Act of 2004''.

SEC. 2. INCREASE IN CHILD TAX CREDIT.

(a) IN GENERAL.—Subsection (a) of section 24 of the Internal Revenue Code of 1986 (relating to child tax credit) is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer an amount equal to $1,000.''.

(b) INCREASE IN PHASEOUT THRESHOLDS.—Paragraph (2) of section 24(b) of such Code is amended to read as follows:

''(2) THRESHOLD AMOUNT.—For purposes of paragraph (1), the term 'threshold amount' means $125,000 ($250,000 in the case of a joint return).''.

(c) ACCELERATION OF INCREASE IN REFUNDABLE PORTION OF CREDIT.—Clause (i) of section 24(d)(1)(B) of such Code is amended by striking ''(10 percent in the case of taxable years beginning before January 1, 2005)''.

(d) COMBAT PAY TAKEN INTO ACCOUNT.—Paragraph (1) of section 24(d) of such Code is amended by adding at the end the following new sentence: ''For purposes of subparagraph (B), any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.''.

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

SEC. 3. REPEAL OF SUNSET.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to the provisions of, and amendments made by, sections 201 and 203 of such Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment printed in House Report 108–496, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of legislation to permanently extend the child tax credit to millions of hardworking American families. H.R. 4359, the Child Credit Preservation and Expansion Act of 2004, will prevent 30 million American families from being hit with a tax increase next year. The bill before us today will make the $1,000 child credit permanent while enhancing the credit for low-income families, middle-income families, married couples and our military families. As the economy continues to grow, it is important that Congress stand in firm support of policies that strengthen families.

The current credit is a product of the 2001 tax law, the Economic Growth and Tax Relief Reconciliation Act, which increased the tax credit to $600 per child through 2004, eventually raising it to $1,000 per child by 2010. This tax relief was accelerated in last year's Jobs and Growth tax relief bill which made the $1,000 credit available to families immediately for 2003 and 2004. Today's bill would make this level of relief permanent and enhances the credit by making it more available to lower-income, middle-income and military families.

Mr. Speaker, in addition to making the $1,000 credit permanent, H.R. 4359 also provides for several other tax benefits that Members on both sides of the aisle have sought. The bill increases the level of refundability to 15 percent of earned income above $10,750, a year earlier than provided under current law. Soldiers in combat areas and their families will receive additional support because the bill allows combat pay to be treated as earned income for the credit's refundability. Further, this bill would permanently prevent the child credit from being lost to the Alternative Minimum Tax.

Congress must not allow taxes to be increased on American families just as our economy gets going. This tax credit is good for the American family and good for the American soldier. I urge my colleagues to support the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is important we understand what the issue is here today and where there is a difference. It is not a question of extending the child credit; we favor its extension. It is not a question of accelerating the 15 percent refundability; Democrats support it and urged it before. It is not a question relating to military families; we Democrats have been urging that before and support it now.

So what is the issue here? It is interesting that my colleague from Michigan does not discuss either of the two

major issues. Somehow by using the term ''families,'' there is the notion that major issues can be avoided, that major issues can be skirted, that major issues can somehow be covered up by the use of the term ''families.'' We are not going to let that happen. Whoever is listening must learn the difference here.

Part of it relates, and now I am talking about the differences between the substitute and this bill, to low-income working families. The substitute would provide more benefits because for working families the threshold was indexed. We want to de-index it. That will help 2.5 million working families. We also want to increase the benefit for every family by indexing the credit.

I also now want to point out two additional major differences. This is not only an extension, this is a new tax break. This is not only an extension of this credit, this is a new tax cut. And for whom? It is a tax cut not really only for families earning $110,000 because they receive some of the benefits of the present system. For example, it goes up to $120,000, $130,000, et cetera. For a family of two with $135,000, they get 375 bucks for each child.

□ 1645

So this really goes beyond the present system, one that provides some relief for families up to $150,000 and in some cases beyond, depending on the number of children. Now, what this is, is a new tax break that goes beyond the $150,000, beyond $200,000, beyond $250,000, beyond in some cases $300,000. This is not a tax break mainly for middle-income families. It is a tax break for Members of Congress who have kids 17 and under. Do we need that tax break? I do not think so. I do not think so.

Under the tax legislation that was passed before, the very wealthy families have already received an ample tax break. And if the first chart would be brought forth, I want to refer to it. This is for family household incomes 200 to $500,000: $7,430, this has been the average tax cut in earlier years. And what this bill would do would be to add 2,000 bucks to it. That is what this bill does. Do not call it just an extension. That is point one.

So when I hear, as I heard earlier today, this is for families to buy diapers, to buy toys, to buy a swing, no. I am in favor of providing, and so are Democrats, the extension for families who clearly need it. I am not in favor of a new tax break for families who clearly do not need it, 250,000 bucks a year.

Stand up and say that you are providing a tax break for them. Stand up and say you are providing a tax break for the Members of Congress with kids 17 and under. What this is, is an example of imbalance of priorities and, indeed, of perspective. And to make it worse, you do not pay for it.

I ask that the second chart be brought forth. And I want everybody to understand what the Republican majority is doing here. This tax cut, the way they have tailored it, the estimate is it is going to cost about $228 billion. Of that, close to $70 billion is because of your new tax break. My gosh, you do not even pay for the child credit that makes really good sense. Okay. Should you not at least pay for a tax break for families making 250 and 300,000 bucks a year? That is not just fiscal irresponsibility; that is fiscal madness.

So that is why I rise today and urge support for the substitute and urge that people vote with some perspective, with some sense of priorities, and vote against the Republican majority bill.

It is not going to pass the Senate. I do not even know how you make it in order in the Senate. If this bill had come out of the Committee on Ways and Means, as I understand the rules, there had to be a waiver by rules in order for us to consider it today because it does not come within any budget.

So what we are doing today is in a sense going through the motions, and I am in favor of making clear to low- and increasing numbers of low-income families the need for a child credit. I am in favor of making clear an extension of the child credit for middle-income families in this country. It does not make any sense to dig a deeper fiscal hole for families making 200, 250, $300,000 a year.

I close with this and everybody take notice: what you are doing by giving a tax break to a relatively small number of families, not all of whom but many of whom are earning 175,000, 200,000, $200,000 a year, what you are doing is, in essence, putting a tax on all of the families of America, if not next year, in the future, because they are going to have to pay for the interest on this deep, deep deficit. And you are just adding to it.

Mr. Speaker, I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE), a distinguished member of the Committee on Ways and Means and chairman of the Trade Subcommittee.

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today to voice my strong support for H.R. 4359, legislation that makes permanent the $1,000 child tax credit.

The Bush tax cut of 2003 accelerated the amount of money American working families with children are able to keep, from $600 to $1,000. If we do not act today to make this tax relief permanent, next year working families will end up having to pay $300 more per child in taxes than they did in 2003 and 2004.

In the following years, the Federal Government will take American families on a financial roller coaster ride. In 2005 through 2008, families will continue to see their taxes increased by $300 more per child. In 2009 it will decrease to $200 more. In 2010 they will get the full $1,000 credit, only to have the rug whipped out from under them in the following 2 years when the credit will decrease to $500 per child.

Does this sound confusing? I will boil it down to its simpler form. A vote against this legislation is a vote to increase taxes on American families by $228 billion over 10 years. That is money earned by mothers and fathers who work hard to pay the enormous costs required to keep food on their families' tables and clothes on their families' backs.

I urge my colleagues to support H.R. 4359.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

I want to point out to the gentleman from Illinois that over 2 million children in Illinois will receive more of a benefit from the Democratic substitute than from the Republican bill and only the very wealthiest 4 percent of the families in Illinois will receive any of the new tax cut that goes beyond the extension of the present system.

Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Georgia (Mr. LEWIS), an active member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague for yielding me this time.

Mr. Speaker, I rise in disbelief that we are even considering such an irresponsible bill today. Instead of taking responsible steps to make permanent a tax cut to help working families with children, this bill balloons our Federal debt and gives thousands of dollars in extra tax breaks to the very wealthiest Americans.

On the other hand, those who need help the most, low- to moderate-income working families with children, receive little benefit under this bill. And those at the very bottom get nothing. That is right, they get nothing.

A family with one parent who works full time at minimum wage earns about $10,300 a year. That struggling family will get no benefit under this unfair bill. A better off, but still low-income, family with two children earning $12,000 will get a one-time $300 tax break. This is only $25 per child or $50 more than they would already receive under current law.

Contrast that with a two-child family earning between $150,000 and $250,000. That family will get $20,000 in extra tax breaks over the next 10 years, $20,000.

This largess comes at a high price indeed. This bill comes with a price tag of $228 billion over 10 years. In fact, when we combine the cost of this bill with the cost of the three other tax bills we have passed over the last month, we are looking at $569 billion worth of tax cuts. That is over half a trillion dollars added to our already incredible debt of $7.2 trillion.

Yes, my colleagues heard me right, $569 billion on top of $7.2 trillion.

This bill is outrageous. It is a sham. It is a shame and a disgrace. What we

are doing today, yet again, is offering huge tax breaks for those who need them least by greatly increasing the debt tax that will burden all of our children and grandchildren for many years to come.

Mr. Speaker, I ask my colleagues to tell me how that is fair. The fact is they cannot, and no one can because this bill is not only unfair; it is downright reckless.

Mr. Speaker, it is long past the time for us to exercise fiscal restraint, but it is never, ever too late to take that first step.

The Democrats, the people on my side of the aisle, we have a better version, a more responsible bill, a more equitable bill, a bill that truly helps those who need it most.

I urge my colleagues to take the first step. Vote against this bill and vote for the Rangel substitute. Our children and our grandchildren deserve better.

Mr. CAMP. Mr. Speaker, I yield 3 minutes to the gentleman from Nevada (Mr. PORTER).

Mr. PORTER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I had the opportunity to have breakfast with a young man from Nevada this week. He held up his hand and he said, ''I have a baby that was born 2 months premature, and I can hold that baby in my hand just like this.'' And as we talked about his child, who now is well and thriving and feeling wonderful, we talked about the tax credit. This was at breakfast just across the street. He was amazed and appalled and shocked that he would be seeing a $300 tax increase next year because he has a child.

Mr. Speaker, there are 47 million kids across the country not unlike my friend's little baby that he held in his hand a few months ago, 500,000 foster kids, 370,000 children in Nevada alone, who stand to have a tax increase next year if we do not take action today.

Nevada is one of the fastest growing States in the country, close to 5 or 6,000 new residents a month moving into our community. We need 2½ new schools a month because we have about 20,000 new children that could benefit from this tax credit.

We know that the economy is turning around; and because of the strength of the economy, because of the tax credits that we have given in this Congress, right now nationwide there are 1.1 million new jobs since 2003. Unemployment is down to 5.6 percent across the country. Nevada's unemployment rate is 4.4 percent. It is working. Personal income is up. Homeownership is the highest it has ever been, and this is because of these tax credits; and it is because families, working families, have an opportunity to reinvest in their community.

I have been in office a short time as a Member of Congress, but I served in the Nevada legislature as many of the Members have served in legislature, and I will be honest with them, I am perplexed. One of the criticisms I am hearing about this bill to help families is that we have raised the threshold. I am perplexed because I know that politics is the art of bringing groups together and building bridges. The $250,000 threshold was a Democrat proposal just 10 days ago.

□ 1700

I am perplexed that all of a sudden it has become a criticism. We have crossed the aisle and are using their proposal. I encourage the $250,000, and I thank the Democrats for their proposal. Families need permanence in the language.

We also support the Democrat's proposal in helping those families that need help the most by increasing the refundability to 15 percent. I thank my colleagues from across the aisle.

Criticism number three was about not helping military families. Again, I thank my colleagues across the aisle for their language and support of those folks with the combat pay.

Mr. Speaker, I appreciate having this opportunity to ask our colleagues to support this bill. The economy is getting stronger, men and women are getting back to work, hard-working families are receiving these credits so they can choose what to do with the funds and not the Federal Government.

We have reinvigorated the entrepreneurial spirit across the country. We need to continue with these tax credits, so hard-working families can reinvest the money and take care of their families.

Mr. LEVIN. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I do not want anyone to be misled by the gentleman from Nevada. The $250,000 figure related to the Alternative Minimum Tax, not to the child credit. The AMT was never intended to apply, except to the very wealthy, and we want to make sure it does not. They have not stepped up to the plate on it.

Also, I want to point out that 400,000 children in Nevada will benefit more from the Democratic substitute than the Republican bill.

Mr. Speaker, I yield 4 minutes to the active and distinguished gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank my friend from Michigan for yielding me time.

Mr. Speaker, these are very troubling days in the Congress of the United States of America, because we are engaging virtually every day in the easy part of government. It is really easy to come to this floor and spend more money on things that people like, whether it is defense contracts that put people to work, or highway projects that make the traffic flow more easily, or cleanup of toxic waste dumps or more financial aid for colleges and universities. It is easy to do that, and it is great to go home and take credit for it.

It is even easier to stand on the floor of the House and vote to lower people's taxes. There is not a constituent in America that I can think of that does not like to hear us come home and say we just lowered their taxes.

What we are engaging in here is an act of economic malpractice against the people of this country. I heard my friend from Nevada talk about his friend holding his newborn baby. Well, I have two children, and I am going to vote against this bill, because I do not want to send them the bill for the money that we are borrowing to pay for our increased spending and tax cut after tax cut after tax cut.

For every $100 dollars that this government spends, we borrow $30. We borrow $30 for every $100 we spend around here. We borrow it from the Social Security trust fund that is going to run out of money in the next decade, and we borrow it from future taxpayers of this country.

Now, it is very easy to vote for these things today and hand the bill to our children in the future, but it is very wrong. And I hear all this talk about ''job creation.'' We have had tax cuts since 2001. We have lost a net 2.2 million jobs since 2001. I do not think they have worked.

I will tell you what will work. There is a tried and true formula in America. The more money the Federal Government borrows, the higher the interest rates eventually go. The higher the interest rates go, the less economic growth you have. The less economic growth you have, the more jobs you kill. The more deficits you create, the more communities you hurt. We have seen this before. It happened in the 1980s and it was a disaster, and we are doing it again.

Mr. Speaker, I would ask my colleagues to listen to a Republican voice in the wilderness from the other body, Senator MCCAIN, who said yesterday, referring to our Speaker, ''The Speaker is correct that nothing we are called upon to do comes close to matching the heroism of our troops.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from New Jersey will refrain from quoting Senators.

Mr. ANDREWS. Mr. Speaker, I would then paraphrase what the good Senator says.

The SPEAKER pro tempore. The gentleman may or either characterize nor quote the remarks of Senators.

Mr. ANDREWS. I can certainly understand why the Speaker does not want this quote characterized.

The SPEAKER pro tempore. The Chair would remind the gentleman that the standard is set in the Rules of the House, not by the Speaker.

Mr. ANDREWS. Mr. Speaker, this Member of the House believes, and shares this belief with many people in both parties across the country, that it

is reckless and irresponsible at a time of war to be borrowing money to pay to reduce anybody's taxes.

There used to be a time in this country when we had to sacrifice as a country, that everybody was part of that sacrifice. It is shameful that for the purpose of going home and delivering good news, we are borrowing money from our children.

We should oppose this bill and we should support the substitute of the gentleman from New York (Mr. RANGEL), because it is paid for; and we should stop this economic malpractice against the people of this country.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. BROWN).

(Mr. BROWN of South Carolina asked and was given permission to revise and extend his remarks.)

Mr. BROWN of South Carolina. Mr. Speaker, I am so proud that this is the fourth straight week that this House is bringing important tax relief legislation to the floor.

The Child Tax Credit Preservation and Expansion Act of 2004 is another step in the right direction to improve the Tax Code for the benefit of hard-working American families. By making the $1,000 child tax credit permanent, we are sending the right message that we want to help out all taxpayers with the burden of providing for their families and ensuring that they maintain their quality of life.

Last year, the President signed the Jobs and Growth Tax Act into law. Our ailing economy needed bold and decisive action, and this plan was precisely what we needed to make a difference for this Nation. Since the law went into effect last June, the economy has expanded at an average quarterly rate of some 5.5 percent, and we are continuing to see positive signs from the job market.

We all know that families are very busy in today's society with both parents often working to take care of their families, paying for daycare, making mortgage payments in an historically high housing market and trying to make ends meet. This bill, along with all of the other tax cuts that we have provided, will help keep families strong. With traditional marriage and families under attack from so many different sources, including the courts, the entertainment industry and the media, our tax system should not feed them any further.

H.R. 4359 makes sure that the child tax credit does not drop from $1,000 per child to $700 next year, and to $500 by the year 2011. In other words, if this bill is not passed, taxes will increase on children by $300 next year and by $500 per child after 2010. How can we penalize so many American families across this Nation for having children? Shame on every Member of this House if we allow this to happen.

I want to thank my colleague, the gentleman from Nevada (Mr. PORTER), for introducing this legislation, and the gentleman from California (Chairman THOMAS) and the Republican leadership for making sure that we do everything in our power to reduce the tax burden on American families.

Mr. Speaker, I urge all of my colleagues to support H.R. 4359 and to continue to fight for hard-working American taxpayers.

Mr. LEVIN. Mr. Speaker, I would like to point out to the distinguished gentleman from South Carolina that about 800,000 children in South Carolina will benefit more from the Democratic alternative than the Republican bill, and that less than 3 percent of the families in the gentleman's State would benefit from the additional $70 billion in tax cuts in the Republican bill.

Mr. Speaker, it is now my privilege and pleasure to yield such time as he may consume to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, how historic it would be if we could get back to the idea that tax bills would come out of the tax-writing committee. Every bill that has been coming to the floor has been without the benefit of Republicans and Democrats having an opportunity to evaluate the legislation, to improve on the legislation. At least at a time when our Nation has this polarized war on our hands, would that we could say in the tax-writing committee, we are working together to improve the economy and that we also support our troops, we support Social Security, we support Medicare.

But this is not the case.

There is no basic difference in the thrust of the Republican bill and the Democratic bill. They just would like to make certain that the benefits would go up to people making $329,000. There is no basic difference. They would drive us into debt some $228 billion, because they do not attempt to pay for it.

There is no basic difference, because we are just more concerned with those in the lower income, while they have this fetish, this desire, that no matter how much it costs, they have to make these special appeals to those that have so much.

It would have been that if we were working together, then we could find some equitable solution.

Somewhere on the Republican side, somewhere there is somebody that believes that we should not go deeper into debt. I do not know who it is, I have not met anybody, but there has to be someone that believes that, with the $500 billion in the tax bills we have had.

It would seem to me that the basic principle should include two things: One, this is a time of war. We are spending $4 billion a month because the President has been ordained to bring peace and democracy to this part of the world. He does not know, and neither does Secretary Rumsfeld know, how many months it is going to take in order to pay this cost, not just in human resources, but in dollars.

We have spent over $150 billion, and we are going deeper and deeper in debt. As has been pointed out, we have to pay the interest on that debt. We do not know what it is, besides prescription drugs, that we are going to have to give up. How many schools do we have to give up? How many Social Security payments do we have to give up?

Do we have any obligation at all to legislate today with some consideration for our kids and our grandkids? I do not think so. You have a Committee on the Budget, I guess, because you want to have one. But what impact does it have on the trillions of dollars that we have gone into debt because we want to show the world that we have a fetish in order to give the tax credits and the tax benefits to the top percentage of those people who have such high incomes.

How embarrassed you should be to be able to tell one of your friends and constituents, have I got a surprise for you. I got on the floor of the House and I said, If you make $329,000 a year, net, and you have four kids, I was thinking about you. I was thinking about you on Memorial Day. I was thinking about you when they were looking for more troops to send to Iraq. I was thinking about you and wondering how could I get you to be patriotic enough to know that you can make a sacrifice? But how did it turn out? I am giving you $4,000 to let you know that as Republicans, we care.

You may get some Democrats to support you because they do not want to be against any child credit. But if they only knew how much their children and their grandchildren would be paying for this credit in a nonpolitical year, we would not be doing it, and no responsible Republican would be doing something like this.

This is election year politicking so you can say you voted for the child credit. Your credibility is so shot on the Republican side, they will not believe it anyway. But having said that, God forbid if they should ask one of your candidates, ''and how do you intend to pay for it?'' And paying for it is just not on the Republican agenda. Borrowing is.

So I hope that people will see their way clear to do not just the right thing by working Americans, to give them a break, especially those that have kids, but do the right thing for the country. Do the right thing for the future. Do the right thing for our kids.

How selfish it is for us to be spending everything, reducing taxes, and knowing one day someone may ask us, granddad, what were you doing when they increased the taxes on me so much? Were you one of those people in the Congress that was a part of this?

I, for one, would be able to say ''no.'' I stood up against them. They have had

the majority temporarily, but, God willing, all of this will change and we can get back to some norm. It is nothing I am looking forward to, being in the majority, because we will have the responsibility to be responsible, and when we give tax breaks and social services and education and homes and make Social Security secure and come up with a decent prescription drug bill, we would say, ''And we have to find the money to pay for it.''

□ 1715

That is the only difference between Republicans and Democrats: We pay for what we want to do.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho (Mr. OTTER).

(Mr. OTTER asked and was given permission to revise and extend his remarks.)

Mr. OTTER. Mr. Speaker, we are a Nation of families, and for good reason. The family unit is the foundation of society. And America's future depends on the success of our families. Our jobs as Members of Congress should be to nurture an environment in America where families can flourish and provide and support the opportunity of freedom and the sense of civic virtue that children need to become responsible citizens.

We did the right thing by increasing the child tax credit in 2001. We did the right thing by accelerating that process last year. And now, by making the child tax credit permanent, we ensure that families continue to retain more control over their own money and we enable them to plan for the future, and we give them the freedom to help their children accomplish their dreams.

There are almost a quarter of a million children in my State whose families will benefit if we pass H.R. 4359. But without this legislation, those families will feel the weight of a significantly increased burden next year. In fact, under current law, tax-paying families in Idaho will pay $757 million more in taxes than they did last year. That money should be staying in their pockets. They should continue to enjoy the fruits of their labors, planning for tomorrow's doctors and teachers and scientists and leaders.

This legislation is about creating an environment that enables those families to take care of their own. It is about time we let them take care of their own.

Mr. LEVIN. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. HOYER), our distinguished whip.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

This has got to be a frustrating debate for the American public, these tax bills. It is a frustrating debate for those of us who were for much of what is proposed. It is certainly a frustrating debate for future generations.

Mr. Speaker, over the last 4 weeks, our Republican friends have worn their reckless tax cut hearts on their sleeves. That is a pretty harsh phrase. But for those of us who believe we ought to balance America's budget as we ought to balance family budgets, it is nevertheless, I think, accurate.

Republicans have cynically put popular tax legislation on the floor and dared Democrats to oppose it knowing full well that the only reason that many Members on our side of the aisle would cast ''no'' votes against such bills is because they were not paid for, and on the pretense somehow that cutting taxes, cutting revenues, cutting prices, if you will, for what we buy, whether it is defense, education, health care at NIH, CIA agents, FBI investigators, whatever we are buying, you will want to cut the cost and will not pay for it. You want to put it on our national credit card, and you want my kids and your kids and our grandchildren to pay for it.

Very frankly, if this were a Democratic President today making these proposals, there is not a person on your side of the aisle that would not be outraged at the fiscal profligacy, at the fiscal irresponsibility, at the fiscal immorality of the policies that you are pursuing.

I assume you go back to your districts and say, oh, the deficit will take care of itself, just as it did in the 90s. Baloney. What took care of the fiscal deficit in the 90s was a bill that George Bush, the first, had the courage to sign, a bill in 1993 that no Republican voted for in the House or the Senate. And in 1997, in a bipartisan way, we came together and passed a balanced budget amendment for which I voted, and we passed PAYGO, for which most of you voted, which said that PAYGO would apply to spending and to taxes.

You are digging a hole. You are not digging a hole for yourself, though. You are digging a hole for my children, my grandchildren, and all the children and grandchildren in America who are going to have to pay this debt.

I do not get it. I do not get the intellectual disconnect between what you said in the 70s and 80s and 90s and what you are saying today. I do not get it. And you are hoping the American public does not get it either. You are hoping the American public is saying only that I want tax cuts. I want tax cuts. I want tax cuts and to heck with my children.

We are talking about one another. How sad. The deficit is going to be half a trillion dollars this year. When I came to Congress it was $985 billion. Last year we raised the debt limit by $900-plus billion. And yesterday all of you voted, almost all, to increase the debt limit by $670 billion. And how your side of the aisle railed, and the gentlewoman from Connecticut has been here long enough to remember that railing, against increasing the debt. How awful that was and we ought to stand up and vote for it.

And what did you do? You hid it by the Hastert rule in your budget because you did not have the courage to stand up and say, these are the policies that I am going to pursue as a Representative of the Congress of the United States.

Democrats are for fixing the marriage penalty. Democrats are for keeping the 10 percent tax bracket. Democrats are for fixing the Alternative Minimum Tax. Democrats are for making the child tax credits permanent. We are for that, and we are for paying for it so that we do not say we are going to fix it. But generations to come, young people, hear me, young people, you are going to pay for it. That is bad policy. That is bad morality.

Let us pass the Democratic alternative, which seeks to be responsible and honest with America and with generations yet to come.

Mr. CAMP. Mr. Speaker, I yield 4½ minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a distinguished member of the Committee on Ways and Means and chairman of the Subcommittee on Health.

(Mrs. JOHNSON of Connecticut asked and was given permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of H.R. 4359. This is about children. It is about families. I think back to when my husband and I raised our children and the tremendous economic pressure on us. I look at that pressure on my children and their husbands and it is enormous. We paid $28,000 for our house. That is not what the kids are out there facing. We paid $2,000 for a car. The kids are having to make payments on houses that are worth more than the cars we bought and the houses we bought.

It is tough to raise a family today. It is very hard to meet the expenses of raising children in a stable, secure environment, saving for their educations and saving for your retirement which is also part of their security. So this is not about digging a hole. This is about setting priorities.

One of my most deeply held priorities is to reshape public policy so that it strengthens families and increases the economic and emotional security of our children. Indeed, one of the things I like about this bill is that it adopts the definition of the middle class that was encompassed in a bill the Democrats offered just 2 weeks ago as part of their effort to shelter more middle-class families from the impact of the Alternative Minimum Tax. I thought that was a good definition. We were impressed by it.

It does expand the definition of the middle class, and this bill reflects that. But you cannot have a tax policy that one year gives a family $1,000 worth of child credit, the next year $700, the next year $500. It is erratic. They have to be able to plan. They have to be able to think through how will we meet the needs of our family.

Making this particular tax credit permanent is important to building a

solid, strong support system under our families. And I rise in strong and proud support of H.R. 4359, the Child Credit Preservation and Expansion Act.

Now, why do I say we are not digging a hole for our children in the budget sense? First of all, I have been here a long time, and I am one of the ones that fought hard to balance the budget in 1997. I was here when we had to dig out of long years of debt. In fact, when we balanced the budget in 1997, it was the first time in 40 years or the first time in 2 generations and we did it right here in this Chamber by disciplined spending. And the result was that as the economy got going, we had a surplus that required us to add just tax policies because we were taking, the estimates were trillions, more out of people's pockets than we needed to fund government services. So we did make changes in tax policy to make the code fairer and more family friendly.

This was one of the most constructive bills, and I am willing to take the responsibility to make this tax credit permanent, and in the future to adjust defense and other spending as we work our way out of Iraq and address priority domestic needs. That is what we did last time. To pass this year's budget, which is a freeze budget on spending, it is going to be tough for us because we do need to increase the funding for public education and to do that, we will have to cut spending in other areas. But I am willing to take responsibility to pass tough budgets year after year, as we will have to, to get to balance. I am willing to do that again and again and to realistically adjust the defense budget as our responsibilities in Iraq decline in the context of new revenues from an expanding economy. And through those mechanisms, to balance the budget.

Again, we showed the grit to do it before the war and a recession. Then had no choice but to allow imbalance. In the future we will have the grit to do it again. But we should not question that grit and fail to fulfill this obligation today, that obligation being to create a predictable, stabilizing tax policy around our young families.

Mr. LEVIN. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Michigan (Mr. LEVIN) has 2½ minutes remaining. The gentleman from Michigan (Mr. CAMP) has 14½ minutes remaining.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BURNS).

Mr. BURNS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as I listen to this debate, it appears that we have different perspectives about what is important to America. There is no tax relief measure that has ever been passed by this House which has done more good to help the average working family in my district, the 12th District of Georgia, than the child tax credit.

My friend from Georgia (Mr. LEWIS) made a quote. He said the $20,000 of tax credit over 10 years was for families earning more than $250,000. Well, he is correct. What he failed to mention is that this assumes you have two children, $1,000 a year for 10 years. If you made $100,000 a year, you would receive the exact same tax credit, $20,000 over 10 years. If you made $50,000 a year you would receive the same tax credit, $20,000 over 10 years. If you make $35,000 a year, which is the average for a small family in my district, you would receive the same tax credit of $20,000 over 10 years.

With a median income for a family of four in my district at $35,000, the child tax credit virtually eliminates all Federal income tax for these families. These families earning that range have children. They need every penny of their income to properly raise their children, and I oppose them having to pay one nickel more.

□ 1700

There are 113,000 children and families in the 12th District, and if we fail to pass this bill, the tax burden on these families will go up by $33.9 million. We must pass and make the child tax credit permanent. If we fail to do this, it will expire and we will, by default, raise taxes across America, the most broad-based tax increase since this body approved the income tax itself in 1913, which was a huge mistake, and we need to fix it.

Mr. Speaker, the child tax credit needs to be made permanent as long as we allow this failed income tax system to continue. I urge Members to support the bill.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), the Subcommittee on Human Resources.

Mr. HERGER. Mr. Speaker, I rise in strong support of the Child Credit Preservation and Expansion Act of 2004. As a member of the tax-writing Committee on Ways and Means, I have been privileged to work on a number of important tax relief measures. However, nothing has done more to reduce the tax burden on middle-class families than the child tax credit. Three years ago, we made a decision to raise the child credit from $500 per child to $1,000 per child. This was good policy 3 years ago, and it is good policy today.

Unless we act, the child credit would drop next year to $700. This will mean an average tax increase of $600 on 30 million Americans with children. Without the congressional action, the child credit would drop again to $500 after 2010. This would result in a tax hike of more than $1,000 on 34 million taxpayers with children.

Many families in my district in northern California, Mr. Speaker, are already having a difficult time making ends meet. Now is not the time to allow for a new tax increase.

The underlying bill also improves the child credit by allowing more families to qualify. Further, the bill makes the credit more valuable to lower-income families and more accessible to military families receiving combat pay.

Mr. Speaker, if we value children and we value families, let us make our Tax Code more family friendly. I urge my colleagues to reject the Democrat substitute and support the underlying bill.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Mr. Speaker, I thank the gentleman for yielding.

It is apparent we have three different perspectives on taxes. There is one group, when talking about giving back programs or benefits, that says when we give. Well, that comes from the assumption that the money they are giving is actually their money, like the Congress has this big bank and we are just going to give it away because we are doing good things for the American people. They do not really think this through, that that money comes from working families and the Congress is just the middleman who just kind of passes it along based upon the votes that the majority might get on a particular issue.

There is another group, too, that troubles me in Washington when they look at taxes. First, they look out across the economic landscape and they see people doing something very bad. They are actually making money, you know, it is a terrible thing.

So, first, we are going to regulate it, make sure we kind of slow that pace of making money down. If that does not work, then we are going to tax them and, by George, if they are still moving after we regulate and tax, let us just sue them. It is a three-step recovery plan to keep an American from having anything in their pocket.

There is a third group. We happen to believe that the 52 or 53 percent of Americans who pay all the taxes in this country, who are working families, who work hard every day, ought to have the opportunity to do something radical. If you make money, we think you might ought to get to keep it. I know, that is out there on the edge, but I think we ought to give it a try because going into the future, as we worry about the economic prosperity of this country, this is a country of small businesses, family-owned businesses, people who get up very early in the morning and work hard all day just to pay their taxes, keep the kids in school, keep the car running and keep the blue jeans on. It is not easy.

Will this tax benefit reverse the economic fortunes of our country? No, but I will tell my colleagues what, there are a whole lot fewer dairies in Louisiana and a whole lot less farmers today than there were a decade ago, and it is primarily due to government regulation and taxes.

This may keep some family farm operating. It may keep another dairy

door open, and it may make some small business that we do not know about tonight operate for 3, 4 or 5 years, but let us give it a chance. Let us let people who work, who are the engine of our economy, 52 or 53 percent of all working families pay all the taxes, is it not time we give them a break?

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CUNNINGHAM).

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, this bill is, as my colleagues on the other side say, about now and the future, but I think we see it a little bit differently. It is an honest debate, and I would tell my friends that my colleagues on the other side, I believe, feel that if we give tax relief money to people, it just goes down a rat hole; that it does not work; that it is just gone; that it adds to the debt and the deficit. I do not believe that is true.

When we give money to a family, maybe they go out to the store and they buy books or they buy a double egg, double cheese, double fry burger at McDonald's and they pay taxes on that. They pay local, they pay State and they pay Federal taxes, and that money comes back to our coffers for more money to spend. That is called tax relief.

It is not all President Clinton's fault. We are in Congress, we spend money and we make the rules. But right after President Clinton left, we were in a slight recession. We gave tax relief and we had one of the fastest recoveries ever, and we had 9/11. My friend from New York knows the devastation that was in New York City. We spent billions of dollars to fix it. We lost a lot of revenue because a lot of people not only lost their lives but lost jobs there.

Guess what, now that those jobs are coming back, that revenue is coming here. It means more money to spend. We are tying to give them, the same families, more money to spend to come here.

The President and the Congress, bipartisan as the gentleman from Maryland (Mr. HOYER) said, we want to give tax relief. Those families got that tax money and, guess what, they spent it, and now look what we have today. We have a growing economy. Four and 4½ percent in personal incomes have gone up. We have added over 1.2 million jobs in the last 3 months and it is coming back. So the money is not going down a rat hole. It actually creates money and revenue for us so that we will have more money in the future. This is the difference.

Mr. CAMP. Mr. Speaker, we have no further speakers at this time, and I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself 15 seconds.

I just want to say to the gentleman, this is not about tax relief for people who need money to buy hamburgers or books. You add $60 billion, $8 billion, $70 billion to the debt, in large part for families making $200,000, $250,000.

Mr. Speaker, how much time is left?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Michigan (Mr. LEVIN) has 2¼ minutes remaining. The gentleman from Michigan (Mr. CAMP) has 6½ minutes remaining.

Mr. LEVIN. Mr. Speaker, is the gentleman ready to close?

Mr. CAMP. We have the right to close.

Mr. LEVIN. Mr. Speaker, I yield the balance of the time to the gentleman from Texas (Mr. HINOJOSA), our very distinguished colleague.

(Mr. HINOJOSA asked and was given permission to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Speaker, I rise in opposition to the misguided legislation, H.R. 4359.

Mr. Speaker, the current total outstanding national debt of the United States, including intragovernmental holdings, is $7.2 trillion, a $1.7 trillion increase from where it was in 2001. Our budget deficit recently reached an all-time high, and it has increased by $648 billion since 2001.

Our Social Security and Medicare surplus funds have been raided, and our national unemployment rate remains high at 5.6 percent. Our fiscal condition, at best, can be described as a calamity; and now this legislation, H.R. 4359, the Child Credit Preservation and Expansion Act, wants to add to our fiscal woes by catering to wealthy Americans who do not need this particular tax cut.

This legislation will add an unwarranted and unaffordable expansion of the child tax credit for the high-income filers that will cost $69 billion, thus adding to our outstanding debt.

Mr. Speaker, I support a strong national defense and a vigorous program for homeland security, and Mr. Speaker, I especially support making permanent the $1,000 child tax credit, but only for those whose annual incomes do not surpass the existing $110,000 threshold. These families, the ones making $110,000 or less, are the ones who need a permanent $1,000 child tax credit.

If this legislation only provided support for these families, I, too, would have supported it, but it does not. It goes far beyond what is needed and expands the credit to families making up to $250,000 a year.

Mr. Chairman, H.R. 4359 is not a middle-class tax cut, as some have attempted to characterize it. I do not know many in America who would consider a married couple making $250,000 a year a middle-class family.

Under this legislation, a married couple with two children would be eligible to receive the $1,000 child tax credit until the couple's income nearly reached $290,000.

I urge my colleagues to oppose H.R. 4359.

At a time of record budget deficits and in the midst of a war, this action is irresponsible and fiscally dangerous at this time.

For all of these reasons, I strongly encourage my colleagues to oppose H.R. 4359.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation makes the child tax credit permanent and enhances it. Without this credit, without action, this credit will decline by $300 or it will raise taxes on families next year if we do not take action.

The enhancements in this legislation increase the level of refundability to 15 percent of earned income at those income levels above $10,750 and it raises that 1 year earlier than under current law.

Our military families have enhanced benefits as a result of this legislation because combat pay is treated as earned income for refundability, and we permanently prevent the child credit from being lost to AMT.

Let me just say something about the Alternative Minimum Tax. A couple of weeks ago, my colleagues on the other side of the aisle offered an amendment to define the Alternative Minimum Tax to define middle-income taxpayers exactly the same way we have defined them in this legislation. So the enhancement of this credit for those middle-income families is important, but it is something that those on the other side proposed just 2 weeks ago.

Let me lastly say that this is really about strengthening families, and it is interesting to hear the argument on the other side for those who feel that if the government loses money, somehow that is a problem for families. What we say is, no, this money is earned by those families in America and across the country, and if we can do whatever we can to have them keep more of their hard-earned money, that ultimately means not only would their families be doing better, but our economy will do better, and if the economy does better, our government will do better.

Mr. STARK. Mr. Speaker, I rise today to oppose H.R. 4359, the "Child Credit Preservation and Expansion Act of 2004." Once again the Republicans are giving a new and unnecessary tax break to wealthier Americans at the expense of the hard working middle class. For this reason I urge my colleagues to vote no on the Republican proposal and support the Democratic substitute, which provides real relief for middle-class families and ensures working families benefit for years to come.

Making the child tax credit expansion permanent is one of the best things we can do to provide tax relief for working families. However, the Republicans have made a mockery of this expansion by giving the full credit to families that make $250,000 a year. Members of Congress don't need this tax credit, but under the Republican proposal, many members would qualify for thousands of dollars in new tax credits they do not receive under current law.

No big surprise, the Republicans also don't want to pay for this new tax cut for households making over $110,000 per year. Just yesterday they passed a budget that specifically exempts this and other tax cuts from a requirement that they be paid for. Even Republican Senator JOHN MCCAIN said this week

it was fiscally irresponsible to cut taxes given the current status of our domestic and international obligations.

The Democratic substitute is a real solution for working families. Our tax credit expansion is indexed so that the value of the credit keeps pace with inflation and doesn't lose value over time (something the Republican bill ignores). We ensure lower-income families get the benefit of actual money in their pockets by increasing the refundable portion of the credit and lowering the income threshold. Our substitute also refuses to make this credit available to families making over $110,000 per year who don't need it. Finally, we pay for our proposal by asking households making over $1,000,000 to pay a little more.

The Republican bill proposed today gives $70 billion in tax cuts to families in the top 10 percent of income, but does nothing to ensure real low and middle class families get the permanent relief they deserve. The Republican agenda is clear, more tax cuts for the wealthiest Americans at the expense of the majority of hard working American families. My agenda is also clear, I will continue to oppose these unfair, fiscally irresponsible tax cuts that put more money in the pockets of the fat cats while taking it away from those who need it most.

Mr. MATSUI. Mr. Speaker, today I rise to protest what I consider to be one of the most egregious examples of the reckless fiscal policies that are being pursued relentlessly by those on the other side of the aisle. Today, the majority has decided to distort the child tax credit—a policy intended to help lower- and middle-income families support their children—and twist it into yet another tax break for the rich.

Mr. Speaker, I favor making the existing $1,000 tax credit permanent, and I favor expanding the credit to cover more low-income families. However, I cannot support a policy that would provide a tax credit for families that make more than $300,000, while denying a credit to those with the lowest incomes.

The bill that the majority has proposed today would greatly expand the tax credit for families with incomes between $100,000 and $300,000, but would not allow a low-income family where a parent works full-time, year-round at the minimum wage to receive the credit! The tax credit would remain unavailable to families with incomes below $10,500. Approximately 8 million children are in families with incomes below this amount! Mr. Speaker, it seems to me that those families with incomes below $10,500 are having a much harder time affording the costs of raising a child than are families with incomes of $300,000, and yet this bill does nothing to help them.

Not only would the bill under consideration today provide another tax break to those who do not need one, but it would do so by digging a deeper hole in our federal deficit. Mr. Speaker, the deficit this year is expected to be the largest in history! Yet, this bill would add more than a quarter of a trillion dollars to that deficit—and nearly a third of the cost ($69 billion) is due to the expansion in tax breaks for those with incomes between $110,000 and $300,000.

Mr. Speaker, we are a nation at war. We have deficits so large that international organizations like the IMF are warning that the continuation of our fiscal policies threaten to hurt not just the U.S. economy, but the global economy. This is no time to be using borrowed money to give tax breaks to those who do not need them. Mr. Speaker, the legislation under consideration today is a stark reflection of the differences in priorities and values that many of us have with the current tax and economic agenda of the majority.

Mr. BLUMENAUER. Mr. Speaker, the objective of child tax credits should be to help families with children who are in need of assistance and to improve tax fairness. This legislation provides little to no help for a single mother making minimum wage, while increasing the income ceiling allowing parents that earn as much as $300,000 per year to receive tax credits.

Low-income working mothers and fathers pay a disproportionately high cost for providing care to their children so that they can earn a wage outside of the home and stay off of welfare assistance. These are the families most in need of a child tax credit, yet, they are the families that are short-changed and left behind by the Republican tax bill.

The money to provide these tax credits for families making well over $100,000 per year is taken from the thin wallets of families making up to $10,000 per year, who receive no benefit from this legislation, and from borrowed funds that will further increase our record deficit. The inequities of this legislation are unconscionable.

Mr. HOLT. Mr. Speaker, I rise in strong support of providing a child tax credit. I am supporting the Rangel substitute because it, unlike the underlying bill, is paid for and does not drive our country deeper into debt.

The Democratic substitute, like H.R. 4359, calls for permanent extension of the $1,000 per child credit, but would index the credit for inflation and fully pays for this extension through 2010. It would also accelerate the increase in the refundable portion of the credit, from 10% to 15%, starting in 2004. The Democratic substitute also provides the tax credit to low income individuals—it is simply unfair that they are left out of the child tax credit.

Because the GOP bill proposes no offsets to their version of the expanded and extended child credit, their proposal costs $228 billion over 10 years.

Mr. Speaker, today the national debt is largest in history. Americans now collectively owe more than $7 trillion—$24,304 for every man, woman and child. We have borrowed an additional $280 billion so far this year. The Majority would now like to borrow another $228 billion with the passage of this bill. Someone needs to remind them that we are also fighting a war, a war that has already cost us $150 billion and will cost another $4 billion a month.

More tax cuts without offsets will not only jeopardize critical public services now, but will also hurt Americans well into the future. Massive deficits now lead to increases in the debt and will create high interest payments that crowd out spending on public investments for future generations. Moreover, these deep deficits threaten to increase interest rates well into the future, making it harder for Americans to buy homes and afford higher education and making it harder for businesses to raise capital. We are literally squandering the wealth of this country by not paying for our tax cuts. This bill further contributes to a glaring problem—the breathtaking fiscal irresponsibility that is going on here in this town.

Mr. Speaker, I ask my colleagues to support the substitute and defeat the $228 billion dollars of debt in the underlining bill.

Mr. KIND. Mr. Speaker, I strongly support providing tax relief to middle-income Americans and I support permanent extension of tax cuts aimed at helping working American families. However, I am not in favor of a new tax break for families making over $300,000 per year, which is exactly what H.R. 4359 provides, and I rise in opposition to this legislation.

The legislation before us today is a dangerous tax cut Trojan Horse. Disguised as an extension of the child tax credit increase included in the 2001 and 2003 tax cut packages, this bill provides an entirely new tax cut for the wealthiest of Americans by expanding eligibility for this tax cut to families making over $300,000 per year. This more than doubles the previous high point of $110,000 per family where the child tax credit started to phase out, and provides those in the top 10% of income earners over $70 billion in tax cuts.

This is not surprising considering the House leadership decided not to include a child tax credit benefit for working families making between $10,500 and $26,625 during the 2003 tax cut package. By loading on tax breaks for the very wealthy, H.R. 4359 is simply another demonstration of the majority's contempt for working American families.

Further, it is unfair to Americans today, and especially the next generation, to delude ourselves by thinking the record budget deficits facing our nation, estimated by the White House at over $500 billion this year alone, will simply go away. H.R. 4359 as drafted contains no offsets, and will add $288 billion to the budget deficit over the next 10 years at a time when the raid on the Social Security and Medicare Trust funds continues.

As a member of the House Budget Committee, I supported a budget resolution that would have extended the child tax credit at the current levels, while still reducing the deficit. This approach required touch choices, prioritization, and a commitment to helping working families. Unfortunately, this was not the approach taken by the House leadership, putting tax relief for middle-income Americans in jeopardy.

I support the alternative offered today by my colleague Representative LEVIN that fully extends the child tax credit increase for middle-income Americans. It would prevent any tax increase in 2005, and will not increase the budget deficit because it is fully paid for through a responsible offset. Further, it provides more tax relief to more families making up to $110,000 by indexing the child tax credit for inflation—bringing it up to $1,100 by 2009. It also benefits our military families by allowing combat pay to be counted toward the refundable portion of the credit. This approach makes sure that during these difficult economic times, the vast majority of the benefits of the child tax credit help the vast majority of Americans.

In conclusion, I urge my colleagues to support the Levin alternative and reject the new tax break for the wealthiest of Americans. Without the Rangel alternative, this legislation creates more harm than good; it not only increases the budget deficit of today, but also increases the debt of the future at the expense of working families.

Mr. VAN HOLLEN. Mr. Speaker, the House Republican leadership proposal on the child

tax credit is a travesty that puts politics above the well-being of America's children. I strongly support making the $1,000 child tax credit permanent. That tax credit provides important relief to middle and lower income families around the country. But rather than simply extending the existing credit, the Republicans seek to expand the child tax credit to higher income families by adding tens of billions of dollars to the nation's deficit. It is not the Republican leadership that will be left to pay that debt; it is our children and grandchildren. It is incredible that the same Republican leadership that refuses to fully fund the No Child Left Behind Initiative would—under the guise of helping families—add billions of dollars to the debt tax that will have to be paid by future generations.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LEVIN

Mr. LEVIN. Mr. Chairman, on behalf of the gentleman from New York (Mr. RANGEL) and the gentlewoman from Connecticut (Ms. DELAURO) and myself, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the Nature of a Substitute offered by Mr. LEVIN:

Strike all after the enacting clause and insert the following:

SECTION 1. INCREASE IN AND EXPANSION OF CHILD TAX CREDIT.

(a) IN GENERAL.—Subsection (a) of section 24 of the Internal Revenue Code of 1986 (relating to child tax credit) is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year with respect to each qualifying child of the taxpayer an amount equal to $1,000.''.

(b) ADJUSTMENT OF CREDIT AMOUNT FOR INFLATION.—Section 24 of such Code is amended by adding at the end the following new subsection:

''(g) INFLATION ADJUSTMENT .—In the case of any taxable year beginning in a calendar year after 2005, the $1,000 amount contained in subsection (a) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins,

determined by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof. Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50.''.

(c) RESTORATION OF $10,000 THRESHOLD FOR REFUNDABLE PORTION OF CREDIT.—Subsection (d) of section 24 of such Code is amended by striking paragraph (3).

(d) ACCELERATION OF INCREASE IN REFUNDABLE PORTION OF CREDIT.—Clause (i) of section 24(d)(1)(B) of such Code is amended by striking ''(10 percent in the case of taxable years beginning before January 1, 2005)''.

(e) COMBAT PAY TAKEN INTO ACCOUNT IN DETERMINING REFUNDABLE PORTION OF CREDIT.—Paragraph (1) of section 24(d) of such Code is amended by adding at the end the following new sentence: ''For purposes of subparagraph (B), any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.''.

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

(g) REPEAL OF SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to the provisions of, and amendments made by, sections 201 and 203 of such Act.

SEC. 2. BENEFITS EXTENSION NOT TO INCREASE FEDERAL BUDGET DEFICIT.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(j) ADDITIONAL TAX ON HIGH INCOME TAXPAYERS.—In the case of taxable years beginning in calendar year 2005, 2006, 2007, 2008, 2009, or 2010, the amount determined under subsection (a), (b), (c), or (d), as the case may be, shall be increased by 2.75 percent of so much of adjusted gross income as exceeds $1,000,000 in the case of individuals to whom subsection (a) applies ($500,000 in any other case).''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 3. REQUIREMENT THAT CONGRESS BALANCE THE BUDGET WITHOUT USING THE MEDICARE AND SOCIAL SECURITY TRUST FUNDS.

(a) IN GENERAL.—Notwithstanding the provisions of section 1 of this Act and any other provision of law, title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall take effect in the form as originally enacted unless Congress meets the requirements of subsection (b).

(b) REQUIREMENTS.—Congress meets the requirements of this subsection if—

(1) before September 1, 2010, Congress has enacted comprehensive Federal budget legislation, and

(2) the Director of the Office of Management and Budget certifies in September of 2010 that such legislation—

(A) will result in a balanced Federal budget by fiscal year 2014, determined by taking in to account the costs of the foregoing provisions of this Act and without taking into account the receipts and disbursements of the Social Security and Medicare Trust Funds, and

(B) will substantially reduce the United States Government's reliance on Foreign central bank purchases of its debt obligations.

The SPEAKER pro tempore. Pursuant to House Resolution 644, the gentleman from Michigan (Mr. LEVIN) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. BECERRA), a very distinguished colleague and member of the Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me the time.

To be sure we are clear, this is a bill to make the child tax credit permanent, to extend it to include families that were not part of the legislation before, those families that are high-income earners.

The other part of this that we have to talk about is the fact that it is $22 billion worth of costs without paying for it.

The first part everyone will agree on. Child tax credit, let us go with it. Second part, increase it or expand it to include families who are among the highest-income earners in this country, we could debate that, but let us do it fiscally responsibly.

The third part, to not pay for it, is the irresponsible part of this legislation.

If my colleagues want to do something to expand the child tax credit at the same time they are making it permanent in the face of what is today a $400 billion deficit for this country, and in the face of, as we have heard other Members say, a $7.2 trillion debt that this Nation has on which we pay close to a quarter of a trillion dollars a year simply in interest, does nothing to give anyone any additional service or benefit, just paying interest.

□ 1745

If we did not have that $17.2 trillion debt, that is about $24,000 for each man, woman, and child in this country today; and if we did not have in this fiscal year a more than $400 billion deficit that we face, that adds to that national debt, then perhaps you could easily talk about extending this to the high-income earners and not paying for the cost of it. But that is not the case.

Today, what is the world like? We have men and women, over 100,000 of them, that have not seen their children, in some cases, for more than a year. We have a Social Security System where people are today contributing for their retirement, where every single cent of the Social Security surplus is being spent and more. We have a situation where more than a million and a half Americans in the last 3½ years have lost their jobs. And those Americans who have been lucky enough in the last few months to regain a job, are finding they are earning less today than in the job they held previously.

So, then, you have to ask yourself, is this truly the direction we want our country to take? Is this the one problem we have to tackle today, increasing the child tax credit to include high-income earning families in America at a cost of expanding the size of the national debt?

And that is where folks on this side of the aisle break. Because we would love to be able to go back to our districts and say, you know what, we just extended the child tax credit, we made it permanent so you can always count on it being there. But you cannot in good faith do that to people who have sons and daughters in Iraq or in a war where we have no exit strategy, where we have already spent more than $166 billion, again not saying how we are paying for it, and what we are doing is adding to the debt.

One of our colleagues from Nevada came to the floor and spoke eloquently just a moment ago about how he held a newborn child in his arms, and he talked about how that child tax credit

will now go to that family because of that child. What he did not say, of course, is that while that child is going to help that family receive, perhaps, if they are lucky enough to qualify, a $1,000 child tax credit, that child is born today with a $2,000 additional debt just from the last four bills that have passed this House in the last month that deal with tax cuts: this child tax credit; the marriage penalty relief; the relief from the Alternative Minimum Tax; and the cut on the 10 percent bottom tax bracket.

If you total all those up and extend them for the 10 years, that is over $1 trillion dollars in cost, unpaid for. So you cannot continue doing this and be realistic, be fiscally responsible, be fair; and we go from there. This is not the way to go. Go with the Democratic substitute.

Mr. CAMP. Mr. Speaker, I yield 3 minutes to the gentleman from Nevada (Mr. PORTER).

Mr. PORTER. Mr. Speaker, we have talked at length about where the threshold should be. Just a few days ago, May 5, 2004, my colleague from California voted in favor of an amendment that said that we will eliminate all liability for individual minimum tax for taxpayers with adjusted gross incomes at less than $250,000 and above those levels we phase in over $40,000.

It seems to me very hypocritical that just a few days ago our colleagues from across the aisle felt that $290,000 should establish the threshold. And if I can read again from that amendment, it said, in general, the Alternative Minimum Tax to the taxpayer shall be zero, zero, if the adjusted gross income of the taxpayer, as determined by this bill, is $290,000.

Mr. Speaker, it seems hypocritical we can use numbers, play with numbers. The important thing is to get people back to work and get people to be able to invest their own hard-earned tax dollars. The economy is improving because of the policy of returning to families their hard-earned dollars.

I again would urge my colleagues to vote against this amendment and support the original bill as proposed.

Mr. LEVIN. Mr. Speaker, I yield myself 30 seconds.

Do not keep repeating a big fib. The AMT was not supposed to cover except a small minority of the taxpayers. We did not define a certain amount as middle class. It is not in that legislation.

Do not repeat it. It is not true. This is a child credit. You are adding on to an extension $70 billion in large part, substantial part, for very high-income families beyond $250,000. This is not the AMT; this is the child credit. Get off your big fib.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, this substitute, for those who are listening, gives an opportunity for people to do the right thing for working families that deserve some type of tax break for their young kids, that deserve a deduction. Again, the basic difference is do we want to burden the children of the future with the price that we pay for this. We say no.

Can we not think about doing things and providing this type of relief and paying for it? There has to be in this Tax Code that weighs 25 pounds some loopholes that my colleagues can find for the wealthy that you are prepared to say, this is a time of war, this is a time of sacrifice, we just cannot take care of everybody at the same time. Let us start off with those people that work every day. Those families, the kids from the families that are working, that are volunteering, that are in the National Guard, that are in the Reserve, these are the families that really need the help.

When we start getting up there to $300,000 a year, these are not the families from the communities that produce our warriors. It is not me that says that; it is the DOD that says it. The statistics say it. The low- and the middle class are the warriors that are fighting in Iraq. These are the families that deserve the support.

We welcome the fact that our colleagues saw their way clear to make adjustments so that combat pay would not exclude these families from some type of relief. But every time you bring a tax bill, do not drive us deeper and deeper in debt. We support the concept; we just support a better economic basis for the future.

It is so selfish for us to do what we want to do politically this year and leave the burden on the generations thereafter that follow us. As Americans, as Members of Congress, the things that we have to do in terms of national security are not always just guns and planes and the military. It is a sound economic policy so that the future of our great country will not be left in the hands of foreign investors, but in the hands of economists that work with us as Members of Congress to do the responsible thing.

So the reason that we have this substitute is so that we do not deviate from the good intentions of some of our Republican friends, but that we do have a sound economic policy.

Now, my colleagues can talk all they want about the Alternative Minimum Tax. We are not going to attack you on that. You do not have the courage to stand up and talk about the $800 billion it would take to fix it. You are not going to fix it. We tried to give temporary relief. This is designed to create some type of relief for those in the higher income that we say must pay some type of tax. But what you have done is driven the tax burden on these middle-income people, and we tried to give relief.

Let us try not to avoid the fiscal irresponsibility on this bill. Do not talk about the Alternative Minimum Tax. We beg you to bring a bill out to talk about that. Talk about this bill and who gets the relief. And I hope some of the people on the other side of the aisle might say, what does this do to the deficit. Let that be the key question: What is the difference between the bills: Which one is paid for, which one is not paid for, which drives us into the deficit and which one says that we break even because we have closed up loopholes?

Mr. Speaker, I want to thank the gentleman from Michigan (Mr. LEVIN) for the opportunity to speak and the way he has managed this bill today. It causes us in the House and on the Committee on Ways and Means to wish we could do some of these debates in committee rather than wait for the Committee on Rules to give us a bill that we have to debate on the floor.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Members should oppose this substitute for three simple reasons:

First, just like the sponsors' substitute last week on permanence of the 10 percent bracket, this substitute is only temporary. It is not permanent tax relief. The substitute would cut the child credit in half after 2010, according to the Joint Committee on Taxation.

Here is what that means. The benefits to the lowest income families would disappear. The benefits for our military personnel and their families would disappear. The AMT will gobble up the tax credits, which will drop to $500 per child in 2011 for families.

Second, the substitute does not eliminate the marriage penalty and the child credit, and it does not expand access to the credit for middle-income families. By contrast, our bill, H.R. 4359, will provide the full tax credit to married couples with up to $250,000 in income and for single parents with up to $125,000 in income.

The substitute's advocates are opposed to providing help to these families. And this is really a mystery, since the Democrats were willing to provide these same families with tax relief three separate times in the last 3 weeks. Two of their recent substitutes to other tax bills would have granted AMT relief both to married couples and people in the 10 percent bracket regardless of their income. The Rangel substitute on AMT relief exempted couples with up to $250,000 adjusted gross income, and single taxpayers with up to $125,000 in adjusted gross income from the AMT.

So, Mr. Speaker, I would submit my friends on the other side simply are not being consistent. They continue to change their definition of middle-class families to suit whatever needs they see at the time.

Finally, a tax increase is used to fund this bill, a 2.75 percent new tax on entrepreneurs. Seventy-five percent of the tax filers that this new tax will strike have business income. The Democrats' approach would raise taxes on small business owners and investors

and undermine the economic growth that tax relief has delivered.

This same tax-and-tax again approach has been rejected twice this May by substantial margins in this House and should be rejected again.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself 15 seconds.

Look, the 10 percent applied across the board, and so much of it went to families other than the very wealthy. So much of this proposal of yours goes to families that are very wealthy. That is the difference.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Ms. DELAURO), one of the cosponsors of the substitute.

Ms. DELAURO. Mr. Speaker, I am proud to join my colleagues, the gentleman from New York (Mr. RANGEL) and the gentleman from Michigan (Mr. LEVIN), in offering this substitute. Correcting this injustice is something Democrats have been advocating for almost a year now.

It is almost hard to believe a full year after this Congress passed a $350 billion tax cut bill that gave every millionaire in this country a $93,000 break, deliberately leaving behind 6.5 million families with 12 million children in the process, this majority has finally decided it is time to right the wrong done to these families, so long as something is done for the wealthy in return.

During that time, Democrats have come to the floor time and time again imploring this majority to extend the $1,000 child tax credit to those families, a million of whom are military and veterans' families, with 260,000 children of active duty personnel serving today in Afghanistan and in Iraq. We have said that it is a matter of values.

Now, when Republicans finally relent, they do so on the condition that families earning as much as $309,000 also get the credit.

□ 1800

But they do not do anything about capturing any additional people at that lower wage scale; they will not do that. What it also means is a $3.5 billion problem will now add another $69 billion to an exploding deficit, $87 billion if you count the increased interest payments on the extra debt.

To illustrate the profound unfairness of this bill, at the same time that low-income families with two children would get a one-time $300 average tax break under this legislation, two-child families with earnings between $150,000 and $250,000 would receive $20,000 in extra tax breaks over the next 10 years. In my view, particularly at a time when we face deficits as far as the eye can see, it is not only irresponsible; it is immoral.

By contrast, our substitute is simple, to the point, and fair. Not only would it extend the $1,000 tax credit to only the low-income families left out of this bill, hard-working, tax-paying families, yes, they are tax-paying families who need it the most; but it is fully paid for, meaning that it will not add to the deficit.

Mr. Speaker, it is time that Republicans stop using these families as a bargaining chip for more tax cuts for the wealthy. Do the right thing, support the Rangel-Levin-DeLauro substitute.

Mr. CAMP. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, here we are again. For the fourth week in a row, Republicans have put us between a rock and a hard spot, forcing a choice between short-term relief for hard-working families and the long-term interest of future generations. It breaks my heart.

Each one of these votes has broken my heart because I have four adult children. They are families, they each have a spouse, and I have three grandchildren. They would like this short-term relief; but guess what, they know better. They know better than my colleagues do on the other side of the aisle.

It broke my heart to oppose the 10 percent tax bracket, to oppose relief from the Alternative Minimum Tax, and the end of the marriage penalty; and it will break my heart to oppose the child tax credit extension today. But I will oppose it because I know we could do better for our children.

I wanted to vote for tax relief because these bills would help my kids, and it would help the people in my district, but short term. These bills would help short term the four families that I have talked about. Members talk about hard-working families. These kids work around the clock, week in and week out; yet the Republicans are squandering the future of these children and their children. They are providing tax relief for the very wealthiest, and they are providing tax relief in the short term, and I think we can do it better. We will do it without mortgaging the future of our grandchildren with this substitute.

Here are two of my grandchildren. Let me introduce Members to Teddy and his baby sister, Julia. Teddy is 4 and Julia is 9 months old. They have a 16-year-old cousin named Sean, and they have two cousins on the way by year end. I will not ask my grandchildren to pay for their parents' tax relief, nor should you. It is not in their best interest to grow up in a country that cannot afford to properly fund its public schools. It is not in their best interests to work in a Nation crippled by debt. My grandchildren and yours deserve better than that.

The Democratic substitute we are considering today will give both my children and my grandchildren a little extra money, and it will not mortgage the future of the next generation. At first blush, it is troubling to oppose this bill, a bill that would seemingly benefit my own hard-working family. But I am lucky, my constituents and my children understand the hidden price of these tax bills. We understand that tax relief for my children should not come at the expense of Teddy, Julia, Sean, and their cousins we are expecting to be born before the end of year.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, it is really a sad moment that we are considering this bill, another tax bill, another week. We are really not serious about trying to help American taxpayers or trying to get a budget that makes some sense, that is balanced, that does not mortgage our future, that does not require us to ask our children and grandchildren to pay for what we are doing today.

Mr. Speaker, I would have a little more sympathy for this bill if it was an extension of the current child credit bill that many of us have supported. We think the child credit law makes some sense. But this bill does more than that. I think it is important to point out that this bill would increase the income limits of those who qualify for the child credit. That is an additional tax cut that is being placed in this bill that affects people whose incomes are over $100,000-some.

I mention that because every dollar of tax relief that this bill provides is going to have to be borrowed. We are going to have to pay interest on it. It is going to encumber our decisions in the future, whether to protect our Nation in national defense, homeland security, or to adequately fund our schools. I think it is immoral for us to create debt today in order to give a tax cut and then ask future generations to pay for those tax cuts.

Mr. Speaker, I said that this was an extension of a bill that we already passed. I think an argument could be made, but this is to expand that credit, to give an additional tax cut; and it is being done in a way that it is not paid for. I just think that is wrong.

I would hope that we would be able to work together on tax policies because I think there is some agreement on both sides of the aisle, but not the way that this legislation is being presented. I urge my colleagues to support the substitute and to reject the final version if the substitute is not approved.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the gentleman's comments and appreciate much of the work we have done together on the Subcommittee on Human Resources.

I would say, just a couple of weeks ago the other side of the aisle set their own definition of middle class when they offered an amendment on the floor to expand AMT to include ''more middle class families'' and exempt

them from the AMT, which is exactly the same levels we have tried to incorporate in this bill. We have changed this bill to include those families. We are working together to try to strengthen families in America and try to help families with the incredible costs and burdens of raising children today. So I think we can all agree it is those families that need help.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding me this time, and I just wanted to touch base on this amendment and speak against the substitute.

The reason I want to do that is because the substitute actually increases taxes on small businesses in order to get to their tax credit. But more importantly, the tax credit is not a permanent fix. What we believe the young families need today is a permanent child tax credit so they can count on this for many years to come.

I am a father of four. I spend a lot of my time in the carpool line. In fact, I just left the House immediately after the last vote to drive my son to a Little League game. And after this last vote, I am going to drive back to the Little League game, and that is not untypical of working parents today. Parents are juggling money trying to raise these children. And often you think it is time for mom and dad to get a little relaxation. Well, they cannot do that because they have to put the money into new tires or a new dryer, children's braces, whatever.

This makes it helpful and affordable for families, who are often in the sandwich generation somewhere between having dependent children and dependent parents. I believe that the Camp bill, the Thomas bill, the Ways and Means Committee mark in its present form is a good bill.

I think that the Democrats have raised a lot of good points, and I share a lot of their concerns about our growing debt. I think it is time we start bringing that up, and I am glad that they are doing it. But I also feel when you reduce taxes, you put it back in the pocket of those who earn it, and they are going to go out and buy more hamburgers or clothes, more CDs. And when they do, small businesses are going to react. They are going to expand their inventory and hire more people, and it is going to be an extremely important multiplier to the economic engine of our society. Or as ADAM SMITH said, It is the invisible hand at work. We want to cut the budget, but we should not start with taking more money out of the taxpayers' pocket. We should start by overseeing some of these Federal Government programs and eliminating some of them.

Mr. LEVIN. Mr. Speaker, I yield myself 15 seconds.

I want to say respectfully to the gentleman from Georgia (Mr. KINGSTON), what the majority's bill does, adding a new tax cut, gives a tax cut to Members in the gentleman's position, not to families who are struggling to find money to buy books or buy hamburgers; and to dig a deeper hole for that reason is a mistake.

Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I too was struck by the words of the gentleman from Georgia (Mr. KINGSTON) because I think he has the rhetoric right, but I am concerned about the target for his concern. The Republican bill takes resources and extends them to families who make up to $309,000 a year for a family of three. I have people like that in my neighborhood who would like compassion, who would like some help, who are soccer moms and dads. But frankly, I am more concerned about those parents that do not have the resources to be soccer moms and dads, that parent who has three kids and works at minimum wage and who is left off altogether.

Somehow the concern that we have to raise the level to over $300,000 and ignore the people who are most in need, I find disingenuous and I find it sad.

This is not any confusion about whether or not the Democrats want to provide assistance for the middle class. The millionaire's tax that my Republican colleagues refused to fix on a permanent basis so they can use over a half trillion dollars to mask the costs of further tax cuts for people who need it the least is something that we tried to do something about so they would not be subjected to the millionaire's tax.

But today, we are talking about the child care credit. The Democrat substitute is seeking to focus it where it is needed most, not the gentleman from Georgia (Mr. KINGSTON), not my friends in my neighborhood who make over $300,000 a year.

Most important, it is an opportunity for us to step back and think about who our priorities ought to be directed at. He talks about attacks on entrepreneurs because we would have a small surcharge on people who make over a millionaire dollars a year. Yes, it includes some entrepreneurs, it includes some power forwards, it includes some actuaries, but these people have been treated most generously. They have received massive reductions, increased disposable spending. To provide a modest adjustment to help the families most in need is something I can go back to my middle class, my upper middle class, my rich constituents, and I can defend.

Indeed, I do not have to. I have them asking me to do this for poor families. I have CEOs sitting next to me in airplanes saying why are you giving me these tax cuts when there are people who are more in need. I would hope our Republican colleagues would get in touch with those who need help the most.

Mr. CAMP. Mr. Speaker, I yield 2 minutes to the gentleman from Nevada (Mr. PORTER), the sponsor of the base bill, H.R. 4359.

□ 1815

Mr. PORTER. Mr. Speaker, while we are speaking of those children who need help the most, I would like to talk about those children without parents, those foster kids that are impacted by the bill. The substitute, as proposed, will be a tax increase on kids who depend upon the kindness of strangers. The amendment, as written, will be a tax increase on those children. It will punish children who do not have parents.

I suggest to my colleagues that we reject this amendment, that we speak for those kids who need help the most, those without parents, and reject this amendment.

Mr. Speaker, I would also like to just take a moment and say thank you to the staff for their hard work on the bill as originally written. I appreciate their efforts and time.

Mr. LEVIN. Mr. Speaker, I yield myself 10 seconds.

I have no idea what the gentleman was referring to. No idea.

Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, last night the Republican majority passed a $2.3 trillion budget that left a $500 billion deficit, showing it is impossible to finance three wars with three tax cuts.

They never miss an opportunity to stick it to working families and add to the deficit, in this case $228 billion. They never miss an opportunity.

When Ronald Reagan created the earned income tax credit and Bill Clinton doubled the size of it in 1993, we actually cut taxes and reduced the deficit. In 1997, we balanced the budget, invested millions of dollars in health care for uninsured children and created the $500 per child tax credit. We did it while balancing the budget.

They have taken the whole notion of fiscal responsibility, thrown it out, added $228 billion to the deficit, raiding Social Security at that time, just so they can have a tax cut and stick it right to working families who, more than just tires and braces, who do not have health care in some cases.

So you can actually have a tax cut, balance the budget, provide health care, open the doors to college education, but you have to govern and, as President Kennedy once said, to govern is to choose. Those are things that they refuse to do. They do not try to make those choices.

We have two proposals here to expand the child credit, but we have two different visions of America, two different sets of values. We are willing to make the choices that put working families, the interest of their health care, their children, their family, their college education, their savings at the front and center without raiding, without destroying, Social Security. In the last three times that they have

brought up tax cuts, they have never missed an opportunity to raid Social Security and add deficit.

In the last 3 years they have added $3 trillion to the deficit, 3 million Americans have been unemployed and they have had three tax cuts. I do not know what it is about the number three that they love so much. I have no idea.

What they have done here is they have decided to stick it to working families. We need to go back, to put our fiscal house in order, not raiding our children's future, provide a tax cut for working families and reduce the deficit. Not to say, ''I empathize with my colleagues on the other side about the importance of the deficit'' but to do something, after passing a budget with a $500 billion hole, do something that we can provide a tax cut finally to working families so they can get the resources and know it is there without raiding Social Security from their grandparents while you are doing it.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

I certainly appreciate the gentleman's view of history. I would just point out that he forgot to mention that the previous administration signed the largest tax increase in history, which actually started to begin the economic decline that occurred at the end of the last administration.

I would just say, Mr. Speaker, that what we are trying to do here in terms of helping middle-class families is exactly the same definition that my friends on the other side used 2 weeks ago in their attempts to change the AMT to make that more beneficial.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, twenty-two million new jobs, the beginning of an economic recession. Lifting 4.3 million families out of poverty, the beginning of an economic recession. Reduction of uninsured in this country from 44 million to 38 million, the beginning of our economic recession?

There is a rampant case of an inversion in the world. To the people that had those jobs, more people going to college, more people not in poverty, more people with health care, and the gentleman says that is the beginning of the recession? I could have sworn in the 1990s when I was around, all the Republicans talked about was that it had nothing to do with Bill Clinton; it had everything to do with Ronald Reagan's boom from the 1980s. Maybe the gentleman needs a rendezvous with history here and a rendezvous with his record.

He is right, we raised taxes on the wealthiest and we cut them on working families, and we reduced the deficit and had a balanced budget. I would recommend that the gentleman take a rendezvous with that record of what a balanced budget would look like, since his colleagues have done a great job of adding $3 trillion to the Nation's debt.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Let me just say that my friend's view of this whole economy and budget process is very different, because while his party was in control, the budget was not balanced for two generations. It took our party to gain the majority to actually bring some fiscal sanity to the process.

I would just say that what we are debating here today, though, is whether we are going to extend the child tax credit permanently and whether we are going to do that in a way to help more low-income families, more middle-class families and more military families. The base bill does that.

The substitute regrettably raises taxes on small businesses and entrepreneurs. That is exactly the wrong thing to do as we begin to see job creation come again; 1.2 million jobs since October of last year have been created as a result of the tax relief that we have passed.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, my friends on the other side have a distorted concept of history inasmuch as we lived under a balanced budget for the years that President Clinton was in office and we struggled together in a unified way to bump up the economy.

Right now, in the fourth largest city in the Nation, in Houston, Texas, not only are there cuts to the pension of working men and women, the city budget is not only cutting their pensions, laying off people in the library, in the health department, pulling out strings so that we can find a way to finance the needs of the citizens of Houston. But that is the story of major cities around the country. Sadly, it is taking place in Houston, and I wish it was not.

But this particular legislation that my good friends have on the other side is leaving 3 million people at the bottom without a child tax credit and giving us a $228 billion bill that we cannot pay. I would rather my friends look closely at their proposal and wonder why those who are making $300,000 a year, who have, as my colleagues have already indicated, received generous cuts, now putting those others at the bottom of the barrel.

In a letter by Margaret written to the Houston Chronicle in July 2003 she begged as a student making $10,000, with an 8-year-old son, why she could not get a child tax credit, why we are making it permanent for those who make $300,000 a year, yet Margaret who is trying to make ends meet, get an education and take care of that 8-year-old child cannot, in fact, get that kind of coverage.

This substitute allows us to provide for those working families along with those who have already made it. We do not discriminate against them. We want to have tax cuts for the middle class and working families. But what we do not want to have is a splurge that we cannot afford. Waging war in Iraq, waging war in Afghanistan, young military personnel cannot even afford to put food on their table; and they are giving us a $228 billion deficit.

I argue vigorously for the substitute, not for us and not for partisanship, but for working families. Three million of them are not yet going to be able to see a tax cut today. We need the Rangel-Levin substitute in order to make it work.

Mr. Speaker, I rise in opposition to H.R. 4359, the Child Credit Preservation and Expansion Act, and I call on this body to adopt the more fiscally responsible Rangel Substitute. The Rangel Substitute gives real tax relief to middle-class Americans while not raising the deficit.

Conversely, the original legislation of the Child Credit Preservation and Expansion Act seeks to amend the Internal Revenue Code in the following ways:

To repeal the scheduled reductions in the amount of the child tax credit for taxable years beginning in 2005 through 2009 (from $1,000 to $700 in 2005 through 2008 and $800 in 2009);

To make the $1,000 credit amount permanent;

To increase the income threshold amount for calculating reductions in the credit amount to $125,000 ($250,000 for married taxpayers filing a joint return).

To eliminate the reduction in the percentage of earned income for calculating the refundable portion of the credit (15 to 10 percent) for taxable years beginning before 2005;

To include in earned income for purposes of calculating the refundable portion of the credit otherwise tax excludable combat zone compensation of members of the armed forces; and

To exempt from the general termination date in the Economic Growth and Tax Relief Reconciliation Act of 2001 (December 31, 2010) provisions of that Act disregarding as income any refunds from the child tax credit for purposes of determining eligibility for federally funded assistance programs.

Mr. Speaker, the original legislation, as drafted will allocate $70 billion in permanent tax cuts to 2 million taxpayers with children who are in the top 10 percent of the income hierarchy but leaves working families ''in the lurch.'' Furthermore, the bill threatens the welfare of middle-class families because the drafters have failed to include provisions to pay for these tax cuts—increasing record deficits that threaten economic growth, raise interest rates, and cost jobs.

Mr. Speaker, instead, I support the amendment in the nature of a substitute as offered by my esteemed colleague from New York and that has been made in order by the Committee on Rules. In sharp contrast to the instant bill, Mr. RANGEL's proposal will ensure that the Republican tax cuts are paid for through 2010, will increase the child tax credit for more than 31 million people to help middle-income families with children (over 75 percent)

currently receiving the credit, and provide the child tax credit to an additional 2.5 million working families, instead of directing this tremendous relief to a groups who have already benefited tremendously under the Bush tax cuts.

Middle-class families would be better off if tax cuts were paid for. Given the loss of 2.2 million private-sector jobs over the past three years, Democrats believe tax cuts should not add to the budget deficits, as ballooning deficits threaten economic growth, raise interest rates and cost jobs. Instead of taking the responsible course of action and paying for these tax cuts, our colleagues on the other side of the aisle choose instead to increase our debt and deficit levels. Economists agree that federal budget deficits threaten to crowd out private investment and raise interest rates on mortgages, consumer credit and business borrowing, which will slow economic growth and job creation. Federal Reserve Chairman Greenspan warned that soaring budget deficits represent a "significant obstacle to long-term stability" in the economy." (Washington Post, 5/7/04) "The [child tax credit] bill . . . is the most egregious part of a House tax-cutting spree that altogether would add more than $500 billion to the deficit over the next 10 years." (editorial, Washington Post, 5/19/04) Republicans have already taken us from a $5.6 trillion 10-year surplus to a nearly $3 trillion deficit, and now are proposing to add another $228 billion in this bill.

This bill is increasing the deficit to provide tax breaks for higher-income taxpayers, while doing nothing for working families. Instead of providing more tax cuts to middle-income families or helping working families struggling to get into the middle class or making minimum wage, Republicans spend nearly $70 billion (or 30 percent) of the tax cuts on extending the child tax to taxpayers making up to nearly $300,000. According to the Tax Policy Center, 40 percent of the benefits of the Republican bill go to the top 10 percent of taxpayers making over $100,000. For example, a family with a parent working full-time at the minimum wage ($10,300) would get no benefit at all from the bill, while two-child families earning up to $250,000 would get an extra $20,000 in tax breaks over the next 10 years. "This is unnecessary, misguided and irresponsible. Families at that income level have already enjoyed significant benefits from the recent tax cuts; they don't need an extra subsidy to help support their children." (editorial, Washington Post, 5/19/04).

Democrats pay for these tax cuts and require a balanced budget to make the tax cuts permanent. Democrats know we can provide real tax relief to millions of families without endangering our economy or threatening job creation. The Democratic plan essentially pays for these tax cuts through 2010, through a small surtax on the most affluent 0.2 percent of households in America—for couples the surtax only applies to those with annual incomes over $1 million. Democrats are committed to tax cuts that are fiscally responsible. That is why the Democratic plan makes these tax cuts permanent once Congress enacts legislation to balance the budget by 2014, as Republicans have already promised to do, without tapping into the Social Security or Medicare surplus.

The Democratic plan provides more tax relief for middle-income families and working families. The Democratic plan will provide more tax relief to more than 31 million (over 75 percent) of middle-income families—those making less than $110,000. It does so by indexing the $1,000 child tax credit for inflation bringing it to $1,100 in 2009. It also provides the child tax credit to an additional 2.5 million working families with children by lowering the income at which families are eligible from $10,750 to $10,000. Democrats will fight to make sure that tax cuts are targeted to the nearly 85 percent of middle-income and working families feeling the squeeze in the Bush economy.

Democrats have long favored more tax relief for middle-income families. Last year, Democrats worked to provide long-lasting tax cuts for middle-income families, including rescinding the marriage penalty—providing the child tax credit for more people and for a longer period of time. Unfortunately, Republicans are consistently willing to shortchange middle-class families in order to provide tax cuts for the wealthy. Last year, Republicans made the acceleration of the marriage penalty relief, child tax credit, and the 10 percent bracket temporary in order to protect their tax cuts for corporate dividends. This "problem" is one they themselves created.

Extending tax cuts is not an economic plan. Republicans have launched a phony P.R. offensive called "Hire our Workers," but they have yet to explain how they lost 2.2 million private sector jobs, how they increased the deficit to $3 trillion, or how their failed economic policies are going to lead to the hiring of even one additional worker. Democrats have a real plan to create jobs, by passing bipartisan tax relief for manufacturers that keep jobs here in the U.S., passing a robust highway bill, fully funding the Small Business Administration, passing middle class tax cuts that are fully paid for, and putting the federal government back on a "pay as you go" basis. I urge the entire body to reject H.R. 4359 and adopt the Rangel Substitute which is the only responsible fiscal legislation before this body that actually benefits middle-class Americans.

[From the Houston Chronicle, July 8, 2003]

A POOR MOTHER: MY CHILD'S WORTH TAX CREDIT, TOO

(By Margaret Gaffin)

I'm among the millions of men and women being shafted by the Bush administration.

Under the Bush administration's new tax law, families whose taxable income is more than $26,625 will see an increase in the Child Tax Credit of $400 for a total of $1,000. They will get a check in the mail for the difference this summer.

For working families whose taxable income is between $10,500 and $26,625, it's still being debated as to when and if they will receive the credit after they were left out of the bill the first time.

At the same time, the entire tax bill is expected to return an average of $90,000 a year to people making more than a million dollars a year. Not to mention the fact that most of the members of Congress stand to receive dividends. But families earning less than $10,500 like mine will remain ineligible for any part of the child tax credit.

My situation is like millions of women around the country. While we work, go to school and care for our children, we often don't get paid well. My dream is to give back to my community by working in social services like being a probation officer. I have lived a tough life and know how trying it is where there is no one to lend a helping hand in difficult circumstances.

Being in human services will allow me to be that helping hand for other families and the children facing hard times. I'm going to school full time to complete my associate's degree. This means I bring home $5,600 a year, since I can work only part time. Student loans help pay some expenses, but it still is not enough.

It hurts when my 8-year-old daughter wants to go to the movies or even have a meal at McDonald's and I have to say, "No, Mommy can't afford it." If I had gotten a tax cut, I would spend it on bills that face me. Like millions of other working people, I would have put the money right back into the economy.

(Unlike many millionaires, who will most likely put their $90,000 refund in the bank or spend it on stocks or campaign contributions to keep those tax cuts coming.)

The deficit caused by this tax cut is already being felt in states around the country. In Ohio, we had to cut back Head Start programs and medical expenses, leaving millions of children without early education and medical insurance.

It seems shortsighted. The expenses our country will have to pay by not healing ill children and providing a quality education at an early age will be counted not only in dollars, but also in the pain of impoverished human lives.

Twelve million kids, including 1 million military children, are being penalized because their parents are teachers, social workers or in the armed forces. When the President and Congress ignore us, we are being told that our children aren't as valuable as those of persons making more than we do. We are told that our children are not worth a tax credit, even though we work and pay taxes like everyone else. When all the dust settles, I hope our congressional leaders will stop placing higher value on a child from a rich family over my daughter because I am poor.

I'd like to believe that another world is possible, a world where we have equal opportunity, and one child is not favored over another because of skin color or wealth.

Mr. CAMP. Mr. Speaker, I yield myself 15 seconds to say that I urge Members to reject the substitute because it does not make the child tax credit permanent, it ends in 2010, and we need to make that tax relief permanent.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I could not help noticing today that the President had to come up here and stiffen the spine of his troops. I understand that they are getting a little weak-kneed but this is the rubber-stamp Congress, and we know that when the President comes up here and asks for something, no matter how big the deficit is or how many poor people or ordinary working folks you exclude, you will do exactly what he wants.

The people should understand, this is a priority of the President of the United States. He is the one that wants to cut the money or give more money to people on the top. His whole idea is, if I can give enough to the people on the top, I will get reelected.

I noticed some of the Members were a little worried there when we had that discussion about having an investigation of what is going on with the prisoners and how high up the ladder that

goes. There were a lot of weak knees over there. They are going home and they have got to take home this tax credit, by God. I can hear them saying it down in HC–5 today: ''Gentlemen, you have to vote for this because you'll have nothing else to say.'' You have got to say something to cover up what is going on in Iraq.

Mr. CAMP. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. THOMAS), chairman of the full Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I assume there is some relevancy to this particular debate on this particular measure offered by the gentleman from Washington.

But I think we really ought to put this entire debate in perspective. In 1993, with a Democrat President and a Democratically controlled Congress, the largest tax increase in the history of the United States was put in place. There was an opportunity at that time to make adjustments on the Alternative Minimum Tax which would not place us in the position that we are in today. That measure passed this House with all Democratic votes and no Republican votes. That was in the first full year of President Clinton's presidency.

The next year was an off-year election for the House of Representatives and one-third of the United States Senate. The American people, for the first time in 40 years, decided that empty promises and failure to deliver and continuing to assume that by requiring Americans to send a dollar to Washington with bureaucratic waste, fraud and abuse subtracted and the 86 cents, the 82 cents, the 76 cents that was sent back to them on programs that they promised to help them was a failed policy. That produced the first Congress of a Republican majority in 40 years.

Ten years later, Republicans are still in the majority. I do not see any better example of the fundamental choices in which the American people chose our way of dealing with issues versus theirs.

Somehow requiring people to pay taxes when they have children at home, for which the amount we are debating does not even offset inflation over the last decade, of increasing the child deduction, somehow allowing them to keep $1,000 per child so that perhaps a school choice would be different, perhaps an educational or enlightenment trip would be different, so that that child in terms of the $20,000 that is going to be available to someone, have you checked college tuition nowadays? The concept of putting money away for future education can be assisted by this $1,000.

□ 1830

And the real problem to my friends on the other side is to see a dollar of tax revenue lost because they did not get it, they did not get their fingers on it, and they did not create a program in the hopes that someone would vote for them because they were going to give them the money.

What I see is an opportunity for a family to allow that child to be enriched over their lifetime, that, in, fact they do go to college. Anybody knows, and graphs show today, a college education is worth about $4 million over the earning life of that individual. And do you know what you do when you make that much money? You surely know listening to their arguments, because if people make a little bit of money, they pay a lot of taxes.

One of the things Republicans have done in this Tax Code is to drop more people off the tax rolls than they have ever done in the history of the time that they have controlled the House of Representatives.

Now, there is a problem when people do not pay income taxes, because they do not get the benefits of the structure of the income tax, for example, the child tax credit. So they then come to the well and say people who do not pay income taxes should get the benefits, notwithstanding the fact they do not pay income taxes, of the people who pay income taxes. That is an unfair system.

And all we are saying is let us give the American family a little security and assurance. What we do in our proposal is make it $1,000 and make it permanent. What they do is dangle out the opportunity that there may be $1,000. If someone in the executive branch certifies that what this constitutionally independent body can do is okay to do, they turn over fundamental legislative decisions to the executive branch. Does the executive branch certify that we can do it? Yes or no?

That is how desperate these people are, to come up with an angle which allows them to say this is what we are going to offer, with the ability, in fact, to jerk it away and never allow the American family to get the $1,000 child tax credit.

So the choice is pretty simple. Certainty, appropriateness, and the investment where we think that investment does the most good, to the family for them to decide. That is the proposal before us.

The substitute says let us promise something that is not guaranteed, that someone in an entirely different constitutional structure will tell you whether or not you can do it. I think that is why finally in 1994 the American people said we have had enough, we want to go a different way.

And to my friend from Texas talking about a balanced budget under the Clinton administration, to make sure history is accurate, 6 of those 8 years Republicans were in the majority in the House and the Senate. That is how we came out of the deficit. Everybody knows the world's circumstances that we were in. We will get out of the deficit again how? By not hoping that keeping taxpayers poor and government rich will solve the problem, but by making sure that we invest in the future in the American way, let those people spend their own money in ways they think bring the best return. And guess what, jobs are created, productivity is up, more taxes come in, i.e., we have revenue coming in.

The real question of whether or not we are able to grow out of this deficit is whether or not we control spending. Not giving people their own money back to spend, that is not the problem. It is new programs, larger programs, spending, that is the greatest concern.

A pretty fundamental battle here today. Invest in individuals that made America great, provide more fodder for government spending so that these folks can say I gave them something. We want the mother and father to tell the child they gave them something, not the government.

Mr. LEVIN. Mr. Speaker, I yield myself the balance of my time.

The issue is not extension of the child credit. We favor it. Nor taking into account the needs of military families. We are very much for it.

There is a difference and a big difference. Why should we create a new tax program here? Why? Why for families making $300,000, $250,000? Are they the families in need? And is it right to do so when we add $70 billion to the deficit? The answer, I say to my chairman, pay for it. Pay for it.

You say it is not permanent and yet you say you are going to grow out of the deficit. Okay. If you are right, our proposal is permanent. If you are wrong, as you have been before, in some years we will take another look. Do not raise, I hope again in your remarks, even though when you have a message, you keep after it even if it is wrong, the AMT illustration. It is simply not correct. We do not use the term ''middle class'' in our AMT proposal. What we say is the AMT should be used for the same purpose as it was intended, for very wealthy families, and we are consistent because we say do not add a new child credit, a new tax break for very wealthy families when you are digging another $70 billion in the hole.

That is not fiscally responsible, as I said before. It is fiscal insanity. Do not raise children when your kids and my grandkids, if not my children, would pay for your irresponsibility, adding $70 billion to the already huge pile of debt. It is red enough. Do not add to it.

I urge that we vote for this responsible substitute and that we vote ''no'' against a very irresponsible, unneeded, additional tax credit that is in their proposal.

Mr. Speaker, I yield back the balance of my time.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to reject the Rangel substitute for three reasons: the Rangel substitute does not make the $1,000 tax credit permanent. The Rangel substitute will cut the $1,000 child tax credit in 2011 in half,

according to the Joint Committee on Taxation. The result: millions of low-income families and military families will face a hefty tax increase. In addition, more than 1 million more taxpayers would fall victim to the Alternative Minimum Tax.

The second reason to reject the Rangel substitute is that it does not include tax relief for middle-class families in the way of the child tax credit. In the Democrat substitute to the AMT bill, it was the Democrats who defined middle-class families as single parents earning $125,000 a year and married couples earning $250,000 a year. This substitute would deny the full credit to families in those ranges. As a result, this substitute does not give the full tax credit to families defined by my friends on the other side as middle class.

Thirdly, the Rangel substitute raises taxes on small businesses and entrepreneurs. The Democrat alternative creates a new tax that will hit approximately 200,000 individual tax returns. Seventy-five percent of those have business income, the same small business community that we have been working so hard to bring back. The House has rejected similar tax increases twice in the last 3 weeks.

I urge my colleagues to believe in parents, believe in families, believe in children, reject the Rangel substitute, and vote for H.R. 4359.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 644, the previous question is ordered on the bill and on the amendment by the gentleman from Michigan (Mr. LEVIN).

The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. LEVIN).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. LEVIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 187, nays 226, not voting 20, as follows:

[Roll No. 208]

YEAS—187

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Case
Clay
Clyburn
Conyers
Cooper
Costello
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Moore
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—226

Aderholt
Akin
Alexander
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Carter
Castle
Chabot
Chandler
Chocola
Coble
Cole
Collins
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Matheson
McCotter
McCrery
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Mollohan
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—20

Ballance
Burr
DeMint
Deutsch
Gallegly
Johnson, Sam
LaTourette
Leach
Lipinski
Lofgren
Marshall
McInnis
McIntyre
Menendez
Miller, Gary
Murtha
Norwood
Owens
Rush
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1903

Mr. PLATTS changed his vote from ''yea'' to ''nay.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CAMP. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 271, noes 139, not voting 23, as follows:

[Roll No. 209]

AYES—271

Aderholt
Akin
Alexander
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bell
Bereuter
Berkley
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Bradley (NH)
Brady (TX)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Cardoza
Carson (OK)
Carter
Castle
Chabot
Chandler
Chocola
Coble
Cole
Collins
Costello

Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (AL)
Davis (CA)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
Engel
English
Etheridge
Feeney
Filner
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Holden
Hooley (OR)
Hostettler
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Lampson
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney
Manzullo
Marshall
Matheson
McCarthy (NY)
McCotter
McCrery
McHugh
McKeon
McNulty
Meeks (NY)
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Rothman
Royce
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stupak
Sullivan
Sweeney
Tancredo
Tauscher
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Udall (CO)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NOES—139

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Berman
Berry
Blumenauer
Boyd
Brady (PA)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Case
Clay
Clyburn
Conyers
Cooper
Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Eshoo
Evans
Everett
Farr
Fattah
Frank (MA)
Frost
Gonzalez
Green (TX)
Grijalva
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holt
Honda
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Majette
Markey
Matsui
McCollum
McDermott
McGovern
Meehan
Meek (FL)
Millender-McDonald
Miller, George
Mollohan
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Rangel
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Scott (VA)
Serrano
Sherman
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Taylor (MS)
Thompson (CA)
Tierney
Towns
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Wexler
Wilson (NM)
Woolsey

NOT VOTING—23

Ballance
Blunt
Burr
DeMint
Deutsch
Ferguson
Gallegly
Gutierrez
Johnson, Sam
Leach
Lipinski
Lofgren
McCarthy (MO)
McInnis
McIntyre
Menendez
Miller, Gary
Murtha
Norwood
Owens
Rush
Tauzin
Turner (TX)

□ 1920

Mr. DELAHUNT and Mr. SCHIFF changed their vote from ''aye'' to ''no.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Ms. MCCARTHY of Missouri. Mr. Speaker, on rollcall No. 209, I was unavoidably detained on H.R. 4359, Child Credit Preservation and Expansion Act. Had I been present, I would have voted "no."

PERSONAL EXPLANATION

Mr. OWENS. Mr. Speaker, because of an emergency in my district, I missed rollcall vote No. 208 and No. 209. If present I would have voted "yea" on rollcall vote No. 208 and "nay" on rollcall vote No. 209.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4359, the bill just passed.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Florida?

There was no objection.

CONDITIONAL ADJOURNMENT TO MONDAY, MAY 24, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 4 p.m. on Monday, May 24, 2004, unless it sooner has received a message from the Senate transmitting its concurrence in House Concurrent Resolution 432, in which case the House shall stand adjourned pursuant to that concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 2, 2004

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, June 2, 2004.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF HON. WAYNE T. GILCHREST OR HON. MAC THORNBERRY TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH JUNE 1, 2004

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 20, 2004.

I hereby appoint the Honorable WAYNE T. GILCHREST or, if not available to perform this duty, the Honorable MAC THORNBERRY to act as Speaker pro tempore to sign enrolled bills and joint resolutions through June 1, 2004.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the appointment is approved.

There was no objection.

CONTINUATION OF NATIONAL EMERGENCY PROTECTING THE DEVELOPMENT FUND FOR IRAQ AND CERTAIN OTHER PROPERTY IN WHICH IRAQ HAS AN INTEREST—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108–187)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the national emergency declared in Executive Order 13303 of May 22, 2003, as expanded in scope by Executive Order 13315 of August 28, 2003, protecting the Development Fund for Iraq and certain other property in which Iraq has an interest, is to continue in effect beyond May 22, 2004, to the *Federal Register* for publication.