

cuts had been part of a planned company-wide reduction of 10,000 workers by the end of this year. And other companies are also staying, too, rather than moving to neighboring states as they had once considered. Assay Designs, Inc. will be adding 86 new jobs and investing an additional \$18 million to a new site in Washtenaw County's Pittsfield Township. Faurecia, a Michigan auto supplier, will be creating nearly 450 more jobs in Sterling Heights as part of a \$40 million expansion. Emerald Graphics Corp. will be producing an additional 347 new jobs near Grand Rapids, rather than in Texas. And with these Michigan fixtures staying, who knows what the future holds for our great State.

The significance of this private-public partnership cannot be overstated. In addition to the immediate consequence of job retention, the University of Michigan projects that the State's agreement with these companies will create an additional 1,210 jobs and generate over \$97 million in revenue for Michigan over the next ten years, with another 1,000 jobs indirectly generated at other area companies. Rather than facing the prospect of helplessly watching hundreds of families potentially flee the metropolitan area—or even the state—in search of new jobs, Michigan's economic future looks brighter with a commitment that these hard workers will remain at home and continue to contribute to the State's economy. Instead of disrupting their children's lives with moves to new schools, SBC employees will continue to root themselves in their respective local communities.

I see no reason why other States cannot create similar incentive programs to keep private sector jobs within their borders as well. The tax credits that Michigan has extended to SBC Communications, Assay Designs, Faurecia, and Emerald Graphics Corp. are just the start. My home state recognizes that corporations naturally desire to expand. And it also recognizes that the State has too many brownfields that require developing. These two are not mutually exclusive. So Michigan has decided to invest in its own future. And what will be the reward? An anticipated \$558 million in private investment! Michigan has proven that it is committed to working with labor and management. Our State has shown that it truly has an open door policy, and will meet and work with all those interested in doing business within its borders, whether your company resides there already and is looking to expand, or is looking to relocate to a local economy that suddenly has a more optimistic forecast.

I encourage my colleagues in Congress to take a close look at what Governor Granholm, SBC Communications, the Michigan Economic Development Corporation and the Communications Workers of America have accomplished. I see no reason why such a success story cannot be replicated in other States as well. In closing, I commend all those parties involved; am grateful for their willingness to work together for our State's future; and hope that this is just the beginning of many success stories to come out of Michigan and America's other 49 States.

HONORING THE CONTRIBUTIONS
OF PRECINCT 1 JUDGE SAUL
ACEVEDO

HON. HENRY CUELLAR

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 2005

Mr. CUELLAR. Mr. Speaker, I rise today to honor the important contributions of Judge Saul Acevedo, of my Congressional District.

Saul Acevedo was born and raised in San Antonio and has been actively involved in the community. He is a product of San Antonio Independent School District and graduated from Jefferson High School in 1981. He earned his Bachelors Degree in Political Science in 1986 from the University of Texas at San Antonio. He then enrolled at Texas Southern University, and in 1989 earned his Law Degree.

Judge Acevedo was elected as Precinct 1 Justice of the Peace in 1998; he works constantly to ensure that the people of his community receive the services they need from local government. He is a credit to his community and a tremendous resource for his county.

During his time in office he has dedicated himself to the youth of the community. He is extremely active in District 19 little league baseball, and is a past league president. There is one role that Judge Saul Acevedo plays in the community that trumps everything; he is married to Marietta and has two beautiful children.

Mr. Speaker, I am proud to have this opportunity to recognize Judge Saul Acevedo for his dedication and contributions to the community.

INTRODUCTION OF ESTATE TAX
RELIEF LEGISLATION

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 2005

Mr. MOORE of Kansas. Mr. Speaker, I rise today to introduce legislation that would repeal the estate tax for 99.7% of all estates in our country.

During my time in Congress, I have strongly supported estate tax relief for American families, farmers, and small businesses, and continue to support the ability of one generation to transfer a business and assets to the next generation. During my first term in Congress I voted to override then-President Clinton's veto of a measure that repealed the estate tax, and later voted for President Bush's 2001 tax cut package, which included a phase-out and temporary repeal of the estate tax.

Unfortunately, however, our country's fiscal situation has changed dramatically over the last several years, and while I continue to support estate tax relief, I also continue to support fiscally responsible policies that will not transfer trillions of dollars in debt to future generations. On February 17, 2004, the national debt of the United States exceeded \$7 trillion for the first time in our country's history. One year later, our national debt is \$7.8 trillion. In the past year alone, our country has added \$800 billion to our national debt. The "debt tax" that we are imposing on our children and grandchildren cannot be repealed, and can only be

reduced if we take responsible steps now to improve our fiscal situation.

This week the House is scheduled to consider a full repeal of the estate tax. Repeal of the estate tax will cost approximately \$290 billion over just the next ten years, and although I support full repeal in theory, the sad truth is that our country cannot afford the luxury of an estate tax repeal at this time.

My legislation would provide immediate relief by raising the amount of an estate exempt from any estate tax liability from \$1.5 million to \$3.5 million. Additionally, the exemption for married couples would rise to \$7 million under my bill. I believe this measure strikes an appropriate balance between the enormous cost of full repeal and the unacceptable cost of doing nothing. 99.7 percent of the estates in our country would face no estate tax liability at all under this legislation.

Further, H.R. 8, the estate tax repeal bill that the House will consider in the near future, would preserve the reinstatement of carryover basis rules that are contained in the 2001 tax law. Replacing the step-up in basis that currently exists with the carryover basis rules that used to exist in our tax code, and will temporarily reappear in 2010, would impose a very real, very significant compliance burden, and capital gains tax increase, on approximately 71,000 estates every year. By repealing the step-up in cost basis, which allows heirs to value an inherited asset at the market value of that asset on the date of a benefactor's death, H.R. 8 would force individuals and families to determine the price of a transferred asset at the date at which the asset was originally purchased. This means that a piece of property originally purchased several decades ago for \$25,000 and sold for \$325,000 today would be subject to a taxable capital gain of \$300,000. Taxable gains on transferred property are particularly burdensome in light of the unprecedented real estate boom our country has experienced over the last several years. My legislation would preserve the step-up in basis and thereby provide substantial capital gains tax relief to thousands of American families.

Full repeal of the estate tax may still be an option for future Congresses to consider, but until we are able to improve the fiscal situation of our country, Congress should attempt to strike a balance between total repeal and the status quo, which will significantly increase the estate tax burden in 2011. We need to ensure that the federal government is preparing adequately for the unprecedented demographic shift that will strain Social Security and Medicare in the decades to come. Spending nearly \$300 billion over the next ten years on full repeal of the estate tax poses a genuine threat to Social Security and Medicare and will impose an unnecessary burden on our children and grandchildren, who will be forced to pay back with interest the debt we are accumulating today.

BACK OUR VETERANS' HEALTH
ACT

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 12, 2005

Mr. FILNER. Mr. Speaker, and colleagues, since the creation of the Department of Veterans Affairs health care system, the Nation's