

The tax return will be short: only a page or two for most people. But more importantly, the tax return will be understandable. My proposal also contains a new and better way of taxing corporations and other businesses that will allow them to compete and win in global markets in a way that exports American-made products, not American jobs.

All businesses would be taxed alike at an 8 percent rate on the first \$150,000 of profit, and at 12 percent on all amounts above that small business level. All businesses will be allowed a credit toward the 7.65 percent payroll tax that they pay under current law.

One of the most pro-growth elements in SUSAT is that all costs for plant and equipment and inventory in the United States will be expensed in the year of purchase. This is important because investment and state-of-the-art equipment is critical to manufacturing in a global economy.

The other key component of SUSAT that will make American business more competitive is that it is border adjustable. In other words, SUSAT would end the perverse practice unique among our trading partners of taxing our own exports. All export sales income is exempt and all profits earned abroad can be brought back home for reinvestment in America without penalty.

Because of a 12 percent import adjustment, all companies that produce abroad and sell back into U.S. markets will be required to bear the same tax as companies that both produce and sell in the United States. This policy would finally take away the bias in favor of imports built into our current tax structure, which, in my view, contributes to our record trade deficit that continues to rise to record-breaking levels.

For too long, the Tax Code has been a needless drag on the economy. This is a curious paradox, and certainly not fair to those Americans whose living standards are lower because of it. The time has come for fundamental change.

In the coming weeks, I will outline more details about this tax system and why we need to move forward today with tax reform.

□ 1930

THE PEOPLE'S HOUSE FOR SALE

The SPEAKER pro tempore (Mr. CONAWAY). Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, the real estate bubble may be bursting in some markets around America, but here in Washington, D.C., real estate is still a great investment.

You may have missed the listing, but it appears that the U.S. Capitol, the People's House, was bought with a down payment of a mere \$1.6 billion, \$1.16 billion from lobbyists here in

town. Or at least that is what the special interests spent on lobbying the Republican Congress in the first 6 months of 2005.

And what exactly does about \$1 billion from lobbyists get you these days in a home like the People's House?

If you are an oil and gas company, you have done \$87 million in lobbying expenses. What does it buy you? \$14.5 billion in subsidies from taxpayers. \$14.5 billion from taxpayers in subsidies so you can just do your business plan. They spent \$87 million and got a \$14.5 billion gift from the taxpayers.

\$87 million will also allow to you pump about \$65 billion worth of oil and gas from the Gulf of Mexico, and you do not pay a single royalty, costing the taxpayers \$7 billion. That is \$7 billion that could pay for child support collections, \$7 billion that could pay for college education, \$7 billion that can create new broadband expansion, everything that we would be doing. \$7 billion could pay down the deficit.

No, taxpayers have been asked to forgo all the royalty that is owed to them, and the oil and gas companies walked away with it, \$14.5 billion in taxpayer subsidies. All the while, while energy is about little north of 60 bucks a barrel. That is right, 60 bucks a barrel. We are subsidizing big oil and big energy companies who also have made record profits.

Now, I think that is great. I think Exxon Mobil should make all the money they want to make. But why are subsidizing them when they are making record profits to do nothing but their business plan? I don't know of another family that has their family budget subsidized by the rest of the taxpayers to this level. \$87 million investment and contributions got them \$14.5 billion in taxpayer subsidies and basically a pass on \$7 billion they owe the taxpayers for having drilled in the Gulf of Mexico.

But that is not just alone in the energy sector. Let us talk a look at the health care sector. They have given about \$173 million in contributions, lobbying activities, all types of expenses. Drug manufacturers saw an extra \$139 billion in profits over the next 8 years from the prescription drug bill. HMOs, \$130 billion in additional profits through Medicare overpayments. There is actually a section in the prescription drug bill called the HMO slush fund for \$10 billion. Where else can you get an investment like that? You cannot get an investment that gives you 100 percent return on your money on Wall Street.

My grandmother used to say, with a deal like this, where you basically give \$173 million and you get \$132 billion profit, such a deal is what my grandmother used to say. Nowhere except in Washington, D.C., in a Republican Congress can you give \$87 million and get \$14 billion in return. Give \$173 million and get \$132 billion in return. That is close to a hundred percent return on your money.

So what do the American people get out of this blue-light special and how do we get out of this? We have created a structural deficit to the system and a system that works against the American people and the taxpayers, whether you are a senior citizen who is struggling with this prescription drug bill which is total chaos but has guaranteed and locked in profits for HMOs and pharmaceutical companies, or whether you are a consumer going to pump paying close to three bucks a gallon, and yet we are also paying on April 15 subsidizing the big companies. Yes, there are 30 different insurance forms for a senior citizen to try to figure out which drug they can get matched with.

Now do you think the oil and gas companies fill out 30 different forms for oil and gas leasing or for their \$14.5 billion in taxpayer subsidies? No, they do not. Now there are over 100 questions for a kid who is just trying to apply for a student loan for about \$2,000, yet we do not force oil and gas companies, pharmaceutical companies, HMO companies to fill out forms like that when it comes to the subsidies we are providing these companies.

It is time to end corporate welfare as we know it. The People's House and the Speaker's gavel when it comes down it is intended to open up the People's House, not the auction house. In the last 5 years, this place has looked like an auction house, whether it is oil and gas companies, whether it is HMO companies, whether it is pharmaceutical companies. In fact, last year, we had a corporate tax bill on the floor. It was supposed to solve a \$5 billion problem. By the time the Republican Congress was done with it, \$150 billion it cost the taxpayers. Time and again, we are paying for the types of wheeling and dealing and what goes as business as usual.

If you go out to the north side of the lawn here at the People's House you will see the for sale sign, and the lobbyists have paid a little over a billion dollars and gotten everything money can buy. So it is time in this election that we turn the People's House back and that gavel back to its rightful owner, the American people.

PROTECTING FIRST AMENDMENT RIGHTS OF MILITARY CHAPLAINS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, prior to the break I came on the floor and announced that we had sent a letter in October of this past year to the President of the United States signed by 76 Members of the House, 3 United States Senators asking the President of the United States to use his constitutional authority as Commander-in-Chief to guarantee the first amendment rights of our chaplains in the military, whether they be Muslim, Jewish or Christian, to pray in their faith and their tradition.