

The Federal Government should not be micromanaging State tax systems. If we have the expense, we ought to allow the deduction. If we are going to allow the deduction of State sales taxes, we should allow it no matter where the taxpayers live.

I hope we will oppose this management from the Federal Government of how a State ought to conduct its tax system.

I yield the floor and urge opposition to the motion.

The PRESIDING OFFICER. The question is on agreeing to the Hutchison motion to instruct conferees.

Mrs. HUTCHISON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.
The assistant legislative clerk called the roll.

The result was announced—yeas 75, nays 25, as follows:

[Rollcall Vote No. 19 Leg.]
YEAS—75

Akaka	Dole	McCain
Alexander	Domenici	McConnell
Allard	Durbin	Murkowski
Allen	Ensign	Murray
Bayh	Enzi	Nelson (FL)
Bennett	Feinstein	Nelson (NE)
Boxer	Frist	Obama
Brownback	Graham	Pryor
Bunning	Grassley	Reid
Burns	Hagel	Roberts
Burr	Hatch	Salazar
Cantwell	Hutchison	Santorum
Chafee	Inhofe	Schumer
Chambliss	Inouye	Sessions
Clinton	Isakson	Shelby
Coburn	Johnson	Smith
Cochran	Kerry	Snowe
Coleman	Kohl	Specter
Collins	Kyl	Stevens
Cornyn	Levin	Talent
Craig	Lieberman	Thomas
Crapo	Lincoln	Thune
Dayton	Lott	Vitter
DeMint	Lugar	Voivovich
DeWine	Martinez	Warner

NAYS—25

Baucus	Feingold	Mikulski
Biden	Gregg	Reed
Bingaman	Harkin	Rockefeller
Bond	Jeffords	Sarbanes
Byrd	Kennedy	Stabenow
Carper	Landrieu	Sununu
Conrad	Lautenberg	Wyden
Dodd	Leahy	
Dorgan	Menendez	

The motion was agreed to.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the motion is simple. It says the conferees need to come back with a final bill that does not increase the national debt. So if you vote against this, you are saying it is OK to increase the national debt. Lord knows what we have by way of debt. It is drowning us and will be paid for by our children and our grandchildren. It is reckless to charge \$50 billion on our Nation's credit card when we have another option. We can pay for these tax cuts by closing the egregious tax loopholes such as the \$6 billion for oil companies with record earnings—on the front page of the paper this morning.

Whether you voted for or against the bill, we should all agree that we should not stick future generations with the bill.

That is what my motion says. It is very simple.

On Valentines Day, vote against increasing the national debt.

Mr. GRASSLEY. Mr. President, I would like to inform the Senator from New Jersey that his motion would increase taxes on people in New Jersey through dividends of \$838,000 and capital gains of \$270,000.

If we don't do something about AMT, 600,000 people from New Jersey suffer; if we don't have the college tuition tax deduction, 121,000; and teacher deduction, 127,000.

I don't know how anybody would want to increase taxes on people in their States by that amount of money. If you take the approach of the Senator from New Jersey and have to offset all of these things, there are not enough offsets to go around to take care of the 100 ideas we have of where taxes ought to be reduced.

We now have taxes of 18 percent coming into the country into the Gross National Product for a 60-year high.

How high do taxes have to be to satisfy the Senator from New Jersey that taxes are high enough?

The PRESIDING OFFICER. The Senator's time has expired.

The question is on agreeing to the motion to instruct.

Mr. LAUTENBERG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.
The result was announced—yeas 46, nays 54, as follows:

[Rollcall Vote No. 20 Leg.]
YEAS—46

Akaka	Feingold	Murray
Bayh	Feinstein	Nelson (FL)
Biden	Harkin	Nelson (NE)
Bingaman	Inouye	Obama
Boxer	Jeffords	Pryor
Byrd	Johnson	Reed
Cantwell	Kennedy	Reid
Carper	Kerry	Rockefeller
Chafee	Kohl	Salazar
Clinton	Lautenberg	Sarbanes
Coburn	Leahy	Schumer
Conrad	Levin	Stabenow
Dayton	Lieberman	Voinovich
Dodd	Lincoln	Wyden
Dorgan	Menendez	
Durbin	Mikulski	

NAYS—54

Alexander	DeMint	Lott
Allard	DeWine	Lugar
Allen	Dole	Martinez
Baucus	Domenici	McCain
Bennett	Ensign	McConnell
Bond	Enzi	Murkowski
Brownback	Frist	Roberts
Bunning	Graham	Santorum
Burns	Grassley	Sessions
Burr	Gregg	Shelby
Chambliss	Hagel	Smith
Cochran	Hatch	Snowe
Coleman	Hutchison	Specter
Collins	Inhofe	Stevens
Cornyn	Isakson	
Craig	Kyl	
Crapo	Landrieu	

Sununu	Thomas	Vitter
Talent	Thune	Warner

The motion was rejected.

RECESS

Mr. GRASSLEY. Mr. President, I ask unanimous consent the Senate stand in recess until 2:15 today for weekly policy luncheons.

There being no objection, the Senate, at 12:23 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

TAX RELIEF EXTENSION RECONCILIATION ACT OF 2005—Continued

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the pending business is the motion to waive the budget point of order, is it not?

The PRESIDING OFFICER. H.R. 4297 is still the pending question.

Under the previous order, the Chair appoints Mr. GRASSLEY, Mr. KYL, and Mr. BAUCUS conferees on the part of the Senate.

Mr. ROCKEFELLER. Mr. President I am very pleased that the Senate is taking the necessary steps today to move forward with a reasonable tax relief package. In the coming days, conferees from the Senate and the House will work together to craft a final bill for the President to sign. Yesterday and today, I supported a number of motions offered by my colleagues to instruct our conferees to maintain the Senate's position because, indeed, the Senate package enjoys bipartisan support.

I am very proud that the Senate legislation also includes a bipartisan amendment that I worked hard to develop that will stimulate investment in mine safety. Our amendment has two key components. The first provision allows accelerated depreciation to encourage mines to invest in new telecommunications technology, tracking devices, improved breathing apparatus, and other critical safety equipment. The second major initiative provides incentives for the creation of additional mine safety rescue teams. While a miner is trapped, he or she should not have to wait for hours for a rescue team to arrive from far away.

West Virginia, Appalachia, and our entire Nation have been stunned and saddened by the recent mine tragedies in West Virginia, Kentucky, and Utah that took the lives of 18 miners and devastated families, friends, and communities. I have visited our West Virginia communities and spoken with families and officials. In the memory of these brave miners, we must take bold and swift action to promote mine safety. We owe it to coal miners who continue to work in mines to do all we can to improve their safety.

Coal mining is hard, dangerous work. But coal is the fuel for more than 50

percent of the electricity that powers our country and enables economic growth. The miners who produce the coal deserve the best technology to make our mines as safe as possible. But we must acknowledge that there will be future accidents in our coal mines because of the nature of the industry, and so we must also invest in additional mine rescue teams.

This tax package presented an immediate opportunity to promote mine safety. I deeply appreciate the work and support of West Virginia's senior Senator, ROBERT C. BYRD. We are a team when it comes to mine safety and coal issues, and we are working together on additional legislation that will impose strict new safety standards on the mining industry.

I am very pleased that the mine safety tax incentives have been included in this legislation. Indeed, I believe that the bill before the Senate includes many important tax provisions that we ought to enact without delay. Most of these tax cuts are longstanding, broadly supported policies that were unfortunately allowed to expire at the end of last year.

Among the tax provisions that the Senate is acting to extend here is relief from the alternate minimum tax for upper middle class families who are about to be hit with a tax only ever intended for the very wealthy. This bill would extend AMT relief for 2006 in order to be sure that families are able to benefit from the income tax cuts the Congress has enacted since 2001. I support this relief, and indeed, I believe Congress needs to act quickly to address fundamental AMT reform. I have cosponsored legislation to permanently repeal the individual AMT because this so-called millionaires' tax is no longer serving its original purpose. As part of overall tax reform that is fiscally responsible, Congress ought to permanently eliminate the specter of this parallel tax system. For now, I am pleased to at least be able to support a bill that will protect families for this year.

This bill also extends important tax incentives for the business community. For example, the bill extends the research and development tax credit to provide more than \$20 billion to companies that do innovative research to keep America at the forefront of the competitive world economy. I have cosponsored legislation that would make the R&D tax credit permanent, but again, I am pleased to be able to at least support this bill which provides a 2-year extension of this valuable tax incentive.

I have also supported legislation to make permanent the welfare-to-work tax credits. The legislation before us today improves and extends these credits for 2 years. I know that many companies in West Virginia have used these credits to provide work opportunities to individuals who previously have been marginalized in our economy. There are many other provisions in

this bill that enjoy my support, including an extension of the new markets tax credit, the creation of incentives for additional charitable giving, and tax breaks for our dedicated teachers who spend their own money improving the educational experiences of their students.

Having said that I support many of the provisions of this bill, I would like to take just a few moments to discuss some reservations I have with the process under which Congress is considering it. This bill is a tax reconciliation bill, meaning that it will enjoy some procedural protections in the Senate—the costs to the Treasury need not be offset and the final package can pass the Senate with a mere 51 votes.

I fear that the reconciliation procedure being used here has put us on a very dangerous course. As this legislation is confereed with the House of Representatives, the reasonable, bipartisan tax relief that we have passed may be replaced with partisan priorities that do not serve the best interests of average Americans. The House-passed bill does not provide any relief from the alternative minimum tax but instead extends the capital gains and dividend tax cuts beyond 2008. In my own State of West Virginia, fewer than 17 percent of taxpayers reported any taxable dividend income, and fewer than 11 percent of taxpayers had any taxable capital gains. Indeed, nationwide, more than half of the benefits of these investor tax breaks goes to people with more than \$1 million in income. The Senate must insist that AMT relief now is a higher priority than investor tax breaks 3 years down the road.

The impact on the deficit, facilitated by the reconciliation process, is also a serious concern. I supported a substitute amendment offered by my colleague, Senator CONRAD, which would provide all of the same tax relief but would have taken the fiscally responsible step of offsetting the losses to the Treasury. The cost of this bill could be covered by closing tax loopholes and insisting that corporations and individuals are not able to avoid taxes by gaming the system, including in some cases by simply abandoning their U.S. citizenship. I was disappointed that my colleagues did not support this fiscally responsible course at a time when the Treasury Secretary has informed us that the Congress already needs to increase the national debt limit to \$9 trillion.

These reservations, and indeed the declared intention of some of my colleagues on the other side of the aisle to add investor tax breaks during conference, prevented me from supporting this legislation when the Senate first considered it last November. As I said at the time, and I would still prefer, the reasonable tax relief contained in this Senate bill could be passed using the normal legislative process, garnering well more than 60 votes.

However, earlier this month, I supported this Senate bill after two impor-

tant improvements. First and foremost, the mine safety tax incentives were added to this bill. As a representative of so many coal miners and their families, I will do all I can to advance measures that encourage additional investment in mine safety. I was also encouraged that during consideration in early February, the Senate passed an amendment offered by Senator MENENDEZ, by a vote of 73 to 24. That amendment expresses the sense of the Senate that relief from the alternative minimum tax should take precedence over any additional tax cuts for capital gains and dividend income.

I hope to work with my colleagues as differences between the House and Senate bills are resolved. I hope that we can work together to enact reasonable tax relief that enjoys broad bipartisan support. And I will fight to be sure that the tax incentives for investment in mine safety are maintained in the final legislation.

FAIRNESS IN ASBESTOS INJURY RESOLUTION ACT OF 2005—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 852) to create a fair and efficient system to resolve claims of victims for bodily injury caused by asbestos exposure, and for other purposes.

Pending:

Frist (for Specter/Leahy) amendment No. 2746, in the nature of a substitute.

Specter modified amendment No. 2747 (to amendment No. 2746), to provide guidelines in determining which defendant participants may receive inequity adjustments the Administrator shall give preference.

Kyl amendment No. 2754 (to amendment No. 2746), to reduce the impact of the trust fund on smaller companies and to expand hardship adjustments.

The PRESIDING OFFICER. The motion to waive the point of order is the pending question.

The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the point of order which has been raised has no substance on the merits. The point of order has no substance on the merits because there is no Federal funding involved in the legislation which creates a \$140 billion trust fund. All of the money comes from private sources, from manufacturers, and from the insurance companies under the agreement reached by Senator FRIST, the Republican majority leader, and then-Senator Daschle, the Democratic minority leader, establishing this trust fund.

The Congressional Budget Office filed a letter yesterday, February 13, on the substitute which was offered. Instead of having a managers' package of some 47 amendments, which could have been considered one by one, they were added to the original text of S. 852 as a substitute bill.

The Congressional Budget Office letter made the essential conclusion that the substitute is budget neutral. The key paragraph reads as follows: