

first; and that when the Senate recesses or adjourns on any day from Saturday, February 17, 2007, through Saturday, February 24, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, February 26, 2007, or such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

Sec. 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate if, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON FINANCIAL SERVICES TO HAVE UNTIL MIDNIGHT, FRIDAY, FEBRUARY 23, 2007, TO FILE REPORT ON H.R. 556, NATIONAL SECURITY FOREIGN INVESTMENT REFORM AND STRENGTHENED TRANSPARENCY ACT OF 2007

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Financial Services have until midnight on Friday, February 23, 2007 to file a report on H.R. 556.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. ARCURI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 161 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 161

*Resolved*, That it shall be in order at any time on the legislative day of Friday, February 16, 2007, for the Speaker to entertain motions that the House suspend the rules relating to the bill (H.R. 976) to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes.

The SPEAKER pro tempore. The gentleman from New York (Mr. ARCURI) is recognized for 1 hour.

Mr. ARCURI. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. LINCOLN DIAZ-BALART). All time yielded during consideration of the rule is for debate purposes only.

I yield myself such time as I may consume.

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

Mr. ARCURI. Mr. Speaker, House Resolution 161 is a rule to provide for consideration of H.R. 976, the Small Business Tax Relief Act, under suspension of rules at any time on the legislative day of Friday, February 16, 2007.

This rule is necessary because under clause 1(a) of rule XV, the Speaker may entertain motions to suspend the rules only on Monday, Tuesday, or Wednesday of each week. In order for suspensions to be considered on other days, the Rules Committee must provide for consideration of these motions.

Mr. Speaker, let me begin by saying how honored I am as a member of the distinguished Rules Committee to manage the rule for consideration of such an important piece of legislation that will provide \$1.3 billion of tax relief for our Nation's small business.

This legislation, the Small Business Tax Relief Act, is strongly supported by a host of business organizations, including the U.S. Chamber of Commerce, the NFIB, the National Association of Manufacturers and the National Restaurant Association.

Small businesses are the backbone of this Nation's economy. Every day we as Americans utilize the services of small business owners, whether it is dropping off our dry cleaning, grabbing a bite to eat at a local diner or pizzeria, or waiting in line to pick up a prescription at a local pharmacy. We depend on our small businesses.

□ 1530

It is a constant struggle for most small businesses just to keep the lights on. Utility costs continue to skyrocket, and larger companies continue to expand services, pushing out the mom-and-pop stores in cities and towns across the country. My constituents in Upstate New York have experienced this loss of economic activity firsthand, but that trend has continued.

The Small Business Tax Relief Act would help small businesses grow and hire new workers by extending and expanding tax provisions that encourage investment in new equipment and promote the hiring of disadvantaged workers, and it does so in a fiscally responsible way that meets the pay-as-you-go requirements. Small business owners have to balance the books and stay on budget each month. It is only fitting that we do as well.

Specifically, the bill would help small businesses invest in new equipment by extending and expanding expensing options for 1 year and increase both the amount small businesses can deduct from their taxes and the number of small businesses that can take these deductions.

The bill would extend the work opportunity tax credit, which provides incentives to employers to hire individuals that frequently experience barriers to work for 1 year, and expand it to cover disabled veterans. In other

words, it helps those who need jobs by giving employers tax credits for creating jobs.

It would enhance the current tip credit for small businesses by maintaining the current tip credit that small businesses take for the Social Security taxes they pay on their employees' tips, instead of allowing it to drop with the long-overdue increase in the minimum wage this legislation will help achieve.

The bill also contains a provision that would simplify tax-filing requirements for businesses owned jointly by a husband and wife, providing much-needed relief for the many small firms throughout this country.

Right now, there is a glitch in the Social Security tax law which only allows one spouse, most often the husband, to get credit for paying into Social Security. This leaves women who work as equal partners in an unfair situation. The Small Business Tax Relief Act fixes this glaring inequality by ensuring that both partners, equal members of the team, receive their justly deserved entitlement benefits.

Moreover, this legislation does not only help small businesses. It is a win-win, because passage of the Small Business Tax Relief Act is also a critical step in finalizing an increase in the Federal minimum wage for 13 million hardworking Americans.

I made a promise to my constituents that I would go to Washington to fight for a long-overdue increase in the Federal minimum wage. Passage of this measure takes us one step closer to fulfilling that promise.

I want to be clear. I support a stand-alone increase in the minimum wage, like the legislation we passed a few weeks ago with overwhelming bipartisan support. However, 10 years is too long for any hardworking Americans to wait for a wage increase. Let's not force them to wait any longer. The time to act is now.

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

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I would like to thank my friend from New York for the time, and I yield myself such time as I may consume.

Mr. Speaker, House Resolution 161 provides that it will be in order at any time on the legislative day of today to consider H.R. 976, the Small Business Tax Relief Act of 2007, under a suspension of the rules.

The passage of these tax cuts for small businesses across the country is very important. Small business, Mr. Speaker, is the engine that drives our economy. Small businesses employ over half of all private-sector workers and pay approximately 45 percent of all United States private payroll.

Over the last decade, small businesses have generated 60 to 80 percent of net new jobs each year. Hispanic small businesses now number over 2 million, Mr. Speaker, and their number has been growing at three times the average of non-Hispanic businesses.

But we must not take the extraordinary performance of small businesses for granted. They still face considerable hurdles, so it is appropriate that steps be taken to ensure that small businesses are able to continue to grow and employ more and more Americans.

The Small Business Tax Relief Act will provide extraordinary savings to small businesses in the United States through targeted tax cuts. The bill increases the amount that small businesses will be able to deduct for equipment purchases and extends the deduction to the year 2010. It also extends the work opportunities tax credit for another year and expands three categories of the eligible workers to encourage employers to hire disabled veterans, high-risk youth, and individuals with disabilities.

Under this legislation, Mr. Speaker, businesses will be able to use their FICA tax tip credit against their regular and AMT liability, saving small businesses over \$500 million over 10 years.

The Small Business Tax Relief Act also allows spouses who operate a business together to file as a sole proprietorship, without penalty. It allows both spouses to claim Medicare and Social Security taxes. This is an important piece of legislation, Mr. Speaker. It will help our small businesses continue their admirable growth and job creation.

I would like to commend the chairman of the Ways and Means Committee, Mr. RANGEL, and the ranking member, Mr. MCCRERY, and all of those who, in a bipartisan manner, have worked to quickly bring this important bill to the floor for debate.

I look forward to the debate on H.R. 976. However, Mr. Speaker, we could have done more. On Wednesday, at the hearing of the Rules Committee and the markup of this rule, Mr. SESSIONS, my dear colleague from Texas, the gentleman from Texas, offered an amendment to the rule that would have allowed us to consider H.R. 60 under suspension of the rules today.

H.R. 60, authored by our colleague, Mr. BAIRD, a Democrat, would make the local and State sales tax deduction permanent. This sales tax deduction is set to expire at the end of this year. Without passage of this bipartisan legislation to extend the deduction, millions of individuals and States without an income tax, such as Texas, Washington, Nevada, Tennessee, South Dakota, Wyoming and Florida, will face an unnecessary and unfortunate tax increase. However, the majority in the Committee on Rules voted against allowing us to debate and pass this widely supported bipartisan piece of legislation.

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

Mr. ARCURI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Ms. BEAN).

Ms. BEAN. I thank the gentleman from New York for yielding.

Mr. Speaker, I rise today in support of H.R. 976, the Small Business Tax Relief Act.

America's small and medium businesses are our Nation's stimulative engine, employing roughly 80 percent of our domestic workforce. Too often, our Tax Code is weighted in support of our large lobbying interests, without consideration of those small businesses who are the backbone of our communities and have vital economic impact there.

I am proud to join Chairwoman VELÁZQUEZ, Chairman RANGEL and other colleagues in support of the Small Business Tax Relief Act, which provides needed tax relief to our Nation's small businesses in support of their growth and profitability. In particular, the Small Business Tax Relief Act will provide incentives to businesses in my district and around our country to continue to invest in the infrastructure important to their growth.

In addition to extending deductions in plant material investments, this bill also extends the Work Opportunity Tax Credit. This credit has been successful in helping people move from welfare to work and gain on-the-job experience by incentivizing employers to hire disadvantaged workers, including returning veterans and the disabled.

As Chair of the Small Business Tax and Finance Subcommittee, I will continue to champion initiatives that help our Nation's small businesses prosper.

I urge my colleagues to support the Small Business Tax Relief Act as part of that effort. As our small businesses grow stronger, so do the communities in which they reside and the workers they employ.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, at this time, I yield 4 minutes to my distinguished colleague from Florida, who has worked so hard to make the sales tax a deductible and who is obviously extremely concerned about the fact that we cannot vote on it today, Ms. BROWN-WAITE.

Ms. GINNY BROWN-WAITE of Florida. I thank the gentleman.

Mr. Speaker, the deductibility of sales tax is so important to so many people. It makes a big difference.

There are those of us, long of tooth, who remember when you used to be able to deduct both State and local sales tax on your Federal income tax. I remember when I lived in the chairman's State, in New York, and we could do that, where I would save up all those receipts. And I was darn sure that I spent more money on purchases than what the maximum amount deductible was.

But in the mid 1980s, they eliminated the deductibility of sales tax on your Federal income tax. What did this do? What it meant was that States that did not have an income tax were at a very distinct disadvantage, citizens who lived in those States.

So a few years ago we remedied that by saying you could deduct either the

State and local sales tax on your Federal income tax or at the State income tax, whichever was higher. So you had that opportunity.

It certainly doesn't put my colleague from New York and those people who are still left in New York at a disadvantage because they can still deduct the State income tax. States that don't have a State income tax have been put at a disadvantage.

I know that the good gentleman from Florida did try to put this amendment on, and it would make a lot of sense. It expires this year. We need to continue to have the deductibility of the State and local sales tax for residents of States that do not have an income tax.

Mr. ARCURI. Mr. Speaker, I yield 2 minutes to my good friend, the distinguished gentleman from Florida (Mr. MAHONEY).

Mr. MAHONEY of Florida. Mr. Speaker, I rise in strong support of House Resolution 161 and the underlying bill, H.R. 976, the Small Business Tax Relief Act of 2007, which I am proud to have cosponsored.

This important piece of legislation is much more than a tax cut for America's small businesses. It is an investment in our Nation's workers, especially those from economically disadvantaged areas, as well as our veterans.

Specifically, the underlying bill extends the Work Opportunity Tax Credit for 1 year. This important tax credit, originally enacted in 1996, has been an important component in an effort to move people from welfare to work, while gaining on-the-job experience.

H.R. 976 also fosters entrepreneurship in our communities, an important variable in keeping Americans competitive in a global economy by making it more affordable to own and operate a small business. This Congress and the individuals who have brought this bill to passage today bring their ideas, ambitions and knowledge and support of entrepreneurs and small business.

Finally, I applaud Chairman RANGEL and the members of the Ways and Means Committee for working within the House PAYGO rules to produce a revenue-neutral tax bill. H.R. 976 is a bipartisan example of a fiscally responsible tax measure that takes into account America's values and priorities.

I urge my colleagues to adopt the rule and the underlying bill.

□ 1545

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. ARCURI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ELLSWORTH).

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

The Small Business Tax Relief Act of 2007 provides long overdue tax relief for small businesses and their employees.

Small businesses form the backbone of the American economy. They create hundreds of millions of new jobs each

year, and they drive the innovation that makes America great. The men and women whose blood, sweat, and sometimes tears go into building their small businesses are living examples of the American dream, and they deserve our support.

There is no doubt that this bill is a win-win for Indiana. It is a win for Hoosier small business owners who work hard, play by the rules, and provide good jobs for thousands of hard-working people in south and west Indiana.

It is also a win for Hoosier workers. Small businesses employ 1.2 million workers in Indiana. And that is why we must make every effort to ensure that small businesses prosper in a progrowth economy. As Congress works towards increasing the minimum wage for the American workers, legislation like this is necessary to help small businesses across the country stay competitive.

Mr. Speaker, the Small Business Tax Relief Act enjoys wide bipartisan support for a reason. We know it is the right thing to do for America's small businesses and for its workers. I am proud to be a cosponsor of this important legislation, and I urge my colleagues to give it their full support. Let us come together and show that the path toward fiscal responsibility can be both probusiness and proworker.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. ARCURI. Mr. Speaker, I yield 2 minutes to my friend from North Carolina (Mr. SHULER).

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

Mr. Speaker, as an entrepreneur myself, I am proud to stand strong in support of our Nation's small business owners. Western North Carolina is blessed with thousands of small manufacturers, technology entrepreneurs, shopkeepers, and restaurant owners. Small businesses are the backbone of our Nation's economy.

Today's legislation will cut taxes and increase opportunities for our small business communities. This is what happens when Democrats and Republicans work together.

I would like to thank the chairman and ranking member of the Committee on Ways and Means for their efforts on this bill. I look forward to working with them in further addressing the needs of small businesses and increasing opportunities for all Americans.

Mr. ARCURI. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Mr. Speaker, I rise in support of this legislation.

One of the great successes for our country's economy, and we all say it here as Members of Congress as we talk about the value of small business, but it is important for us in Congress to look at effecting public policy in a way that assists small business in making success, in being competitive relative

to the rest of the world in terms of pursuing job creation.

And I really want to applaud the leadership of our caucus for moving ahead this early in this Congress with the small business tax relief package. I think that is a real important statement. I hope everyone is paying attention to that. It is certainly something that a lot of us in this caucus have advocated for, and I think it is a great step to be taking today.

I also want to acknowledge the fact that this is a bipartisan piece of legislation. I want to thank Chairman RANGEL for doing such an excellent job in the Ways and Means Committee in working in this bipartisan fashion to come up with this very well-crafted bill. I think this is a great moment for this Congress to work in a bipartisan way to help our economy move forward. I encourage all of us to vote for this legislation.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I have the pleasure of yielding 5 minutes to my colleague, who, in the Rules Committee, made the motion for us to debate today the sales tax deduction to allow us to consider legislation by Mr. BAIRD, a Democrat. Unfortunately, the majority of the Rules Committee did not allow that motion to go forward, voted it down, that amendment.

But it is my pleasure to recognize for 5 minutes not only a distinguished member of the Rules Committee, but a great leader in this House whom I am honored to serve with, Mr. SESSIONS.

Mr. SESSIONS. Mr. Speaker, I appreciate the gentleman from the Rules Committee from Miami, Florida (Mr. LINCOLN DIAZ-BALART).

Mr. Speaker, on Wednesday evening at the Rules Committee, we met to bypass regular order once again, which seems to be a new regular order for the 10th time under the new Democrat leadership. I brought forth the ability to discuss a small tax item with the germaneness to the tax bill that we are debating here today. I wish that we were considering this rule under regular order that the Democrat candidates, out on the campaign trails, promised voters this last election cycle. I believe that the tax bill will end up enjoying bipartisan support on the House floor today. So since we are already bypassing regular order to consider this legislation, I offered an amendment to bring another tax bill to the floor that would enjoy also broad bipartisan support, making the State and local sales tax deduction permanent for residents of non-income-tax States.

This issue is a matter of fairness. It is quite simple in its honesty. It enjoys support from a huge number of Democrats and Republicans and would allow taxpayers a deduction for sales tax in lieu of income tax for taxpayers in States that do not have a State income tax.

Nine States currently have no income tax: Texas, Florida, Washington,

South Dakota, Tennessee, Nevada, Wyoming, New Hampshire, and Alaska. The 1986 Tax Reform Act eliminated the sales tax deduction from the Federal Tax Code but maintained the State income tax deduction. That change has a disproportionate impact on States that do not use a State income tax.

A 2-year sales tax deductibility provision was signed into law as part of the American Jobs Creation Act. This law restored fairness to those in States with no State income tax for the first time in nearly 20 years and kept an estimated \$3.6 billion in the hands of taxpayers that choose to deduct State sales tax in all nine affected States. This critical tax relief is said to expire at the end of this year and must be extended, or my constituents in Texas and taxpayers from eight other States will see a massive, unavoidable tax increase.

H.R. 60 would permanently restore fairness to taxpayers in the nine affected States. I am disappointed that the amendments did not include this one and it was defeated by the Rules Committee Democrats along a party-line vote.

While I support the legislation for continued tax fairness for small businesses that we are about to consider, I am sorry that we were not allowed to have this amendment on the House floor today as a golden opportunity for taxpayers to finally find this tax disparity and this loophole closed for good.

I appreciate the gentleman's extending the time to me. He also is from the State of Florida, which is hugely affected by this unwelcomed tax.

Mr. ARCURI. Mr. Speaker, I yield 2 minutes to the hardworking gentleman from Indiana (Mr. DONNELLY).

Mr. DONNELLY. Mr. Speaker, I rise today in support of H.R. 976, the Small Business Tax Relief Act of 2007, because small businesses play such a vital role in Indiana's economy and in our country's economy. Small businesses are the engine and account for half of all jobs in my State's economy.

I want to thank Chairman RANGEL for his leadership in introducing this fiscally responsible tax relief for America's small businesses.

Mr. Speaker, I understand the challenges our entrepreneurs and small business owners face while training to remain competitive and profitable in today's global economy. I have seen firsthand the impact that rising costs of health care and new technologies and growing competitions from overseas can have on our local businesses.

Today's legislation provides crucial, bipartisan tax relief so that our local small businesses can invest in the equipment and technology they need to remain successful. Perhaps more importantly, these tax cuts allow our local business leaders to reinvest in Indiana's economy, creating new jobs and sharing today and tomorrow's prosperity.

Mr. Speaker, I would also like to take this opportunity to commend this Congress for passing important commonsense tax relief without contributing to our mounting national debt. This bill proves that we can provide tax relief to our business community without increasing the burden on our children and grandchildren.

I urge all my colleagues to pass H.R. 976 and reduce the tax burden for our small business owners.

Mr. LINCOLN DIAZ-BALART of Florida. I reserve the balance of my time.

Mr. ARCURI. Mr. Speaker, I yield 3 minutes to my colleague from New York (Ms. VELÁZQUEZ), the chairwoman of the Committee on Small Business.

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in support of this bipartisan legislation that will provide tax relief and simplification for this Nation's entrepreneurs.

As the Chair of the House Small Business Committee, I believe economic policies in Washington must address the needs of our small businesses. Today's bill will not only provide tax relief but will also provide simplicity to the Tax Code for entrepreneurs.

One of the most critical portions of this bill is the extension of section 179, expensing. This is a provision that encourages investment while simplifying recordkeeping requirements. This legislation will also make more entrepreneurs eligible to use section 179 expensing.

For small businesses it can often be difficult to make expensive investments or purchases because of the upfront costs. Expensing helps them defray some of these costs while also reducing paperwork burdens associated with depreciation schedules. This proposal is a win for small businesses, the job creators, and our economy. After all, they are the ones who create 80 percent of all new jobs in this economy. And it is a win-win for our Nation's economy.

There are many other good elements of this bill that will help small businesses, and I want to thank the chairman of the Ways and Means and the ranking member's efforts in moving this quickly.

I urge my colleagues to support the rule and the underlying bill.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I reserve the balance of my time.

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished member of the Rules Committee for yielding.

I rise to finally say we have relief. I thank the chairman of the Ways and Means Committee and the chairwoman of the Small Business Committee because without you, we wouldn't be here

today being able to finally move forward not only tax relief for small businesses but getting a vote for the minimum wage. Thank you very much.

And I thank you for working it out with the ranking members. Finally we will be able to move in the other body that would not give us an up-or-down vote on the minimum wage. But we have good news because we extend the Work Opportunity Tax Credit. We help small businesses invest in new equipment, which is so very important. And, third, and what is certainly not least, we win the support, as I said, of the Senate to move forward on the minimum wage.

But it is important to note that this WOTC will help veterans, ex-felons, high-risk youth, and welfare recipients, individuals who create the engine of our economy who are trying for a second chance. So this is the right kind of mixture, giving relief to small businesses, which I have always said, are the backbone of the economy of America. I am grateful to say that the small businesses in the 18th Congressional District, which have created an economic engine in our community, will now have the right kind of tax relief to create opportunities for them to reinvest in their own businesses to buy more equipment, because every one of us go home to the churning of small businesses. Every day small businesses open their doors and create jobs for one and two and three and four and five and six and seven and eight and nine and ten employees. So this will be the right message that we will send.

Then, of course, we will give the opportunity for training for our welfare-to-work mothers. We will give training for our veterans. We will give training for high-risk youth. And, yes, we will help those who are trying to reenter to be able to create an opportunity for their families.

Finally, of course, I am gratified that we will have the opportunity now in 10 years to provide the opportunity for those on minimum wage. And in the State of Texas this will create a \$4,000 increase for our working families with a minimum wage increase.

Let me thank the proponents of this bill. I ask for a vote in support of H.R. 976.

Mr. Speaker, I rise in support of H.R. 976, the "Small Business Tax Relief Act of 2007." I support the bill for several reasons. First, H.R. 976 extends the Work Opportunity Tax Credit (WOTC)—which provides incentives to employers to hire individuals from targeted groups that frequently experience barriers to work—for one year and expands it to cover disabled veterans.

Second, H.R. 976 helps small businesses invest in new equipment and more easily afford large capital expenses. It extends small business expensing (Section 179) for one year—increasing both the amount small businesses can deduct from their taxes (from \$112,000 to \$125,000) and the number of small businesses that can take these deductions (by increasing the income limits for businesses taking the deduction from \$450,000 to \$500,000).

Third, and not least important, passage of H.R. 976 is necessary to win the support of the Senate and signature of the President on the legislation passed earlier by this House to raise the minimum wage for millions of hard-working, low-wage workers by \$2.10 per hour to \$7.25. It has been more than nine years since the minimum wage was last increased, the longest period in the history of the law. In contrast, during this time period Indeed, Mr. Speaker, that it removes the last major hurdle between low-wage workers and the long-overdue pay raise they desperately need, is reason enough for me to support the bill before us.

But evaluated on its merits, the Work Opportunity Tax Credit included in the bill before us is a good and useful measure. The Work Opportunity Tax Credit (WOTC) is a successful federal tax credit that encourages employers to hire eight persons belonging to one or more of eight targeted groups of job seekers by reducing employers' federal tax liability. The credit limit is \$2,400, and the targeted groups include veterans, ex-felons, high-risk youth, and welfare recipients.

Mr. Speaker, government data show that 7 out of 10 welfare recipients who obtain jobs in the private sector are using WOTC, and that placing workers in private employment is highly cost-effective compared to State-funded public service jobs. Under the WOTC, employers pay the bulk of job costs, so the average cost to the Government is about \$900 per job per quarter (with a ceiling of \$1,560 annually) while the cost of a State-funded public service job at \$7 per hour averages \$3,700 per quarter with no ceiling. Thus, WOTC enables States to economize their welfare and training block grants and saves money that can be used for child care and transportation.

And what are the benefits to the less-skilled and disabled workers WOTC is intended to help? Virtually every study of jobs credits by the Government Accountability Office and independent evaluations funded by the Department of Labor have shown that employment and skills of these workers are increased. In fact, in one study, GAO reported that WOTC workers achieve gains in real wages as a result of their jobs.

Mr. Speaker, the WOTC provides a market incentive to employers to hire and train less-skilled and disabled workers. To continue this human capital investment in workers who might otherwise be left out of the job market—some 20 million high school dropouts, less-skilled high school graduates, single parents on welfare, disabled workers, and returning combat veterans—we need to extend the WOTC. By extending the WOTC, many more employers, especially small businesses, will have an incentive to look for and offer jobs to people who at first glance may not appear to be good job prospects.

Mr. Speaker, the job site is the place where the most effective learning occurs for a young worker or slow-starter. Because the growth of the nation's labor force is slowing, future economic growth will depend on raising productivity by upgrading skills and making every worker count. Extending the authorization for WOTC will advance this goal. That is why the legislation before us, H.R. 976 is worthy of our support.

Finally, Mr. Speaker, let us also remember how important that the minimum wage be increased. Today's minimum wage of \$5.15

today is the equivalent of only \$4.23 in 1995, which is even lower than the \$4.25 minimum wage level before the 1996–97 increase. It is scandalous, Mr. Speaker, that a person can work full-time, 40 hours per week, for 52 weeks, earning the minimum wage and would gross just \$10,700, which is \$5,888 below the \$16,000 needed to lift a family of three out of poverty.

Mr. Speaker, since 2000 the cost of college tuition has risen 57 percent, which is only slightly less than the increase in the cost of gasoline. Health insurance premiums have skyrocketed by 73 percent and inflation is up 13.4 percent. But during that time, the minimum wage has not increased one cent. That is unconscionable and downright un-American.

Mr. Speaker, today more than ever America's hard-working families are feeling squeezed, living paycheck to paycheck. I can tell you Mr. Speaker that record prices at the pump, skyrocketing health care costs and the rising cost of college in the face of falling or flat wages, are squeezing hard-working Texans in my Houston-based Congressional District as they struggle to make ends meet. That is why ensuring that the minimum wage is increased to \$7.25 per hour is one of the nation's highest priorities.

For Texas workers the basic cost of living is rising; it is only fair that the pay for hard-working Texans does too. Nearly 890,000 hard-working Texans would directly benefit from raising the federal minimum wage to \$7.25 an hour, and 1,774,000 more Texans would likely benefit from the raise.

Raising the minimum wage is vital for Texas families. At \$5.15 an hour, a full-time minimum wage worker in Texas brings home \$10,712 a year—nearly \$6,000 below the poverty level for a family of three. An increase of \$2.10 an hour would give these families a much needed additional \$4,400 a year to meet critical needs such as rent, health care, food and child care. The increase in the minimum wage before us today will not allow workers to live as large as the typical CEO, who now earns 821 times more than a minimum wage worker, but at least it will allow these low-wage workers to make a little better life for themselves and their families.

Mr. Speaker, 89 percent of Americans favor raising the minimum wage. Americans know that the minimum wage must be increased. They know low-wage workers, many of whom live in your district and mine, badly need the money and have been waiting for it for too long. That is why I urge all members to support H.R. 976, which is inextricably linked to the minimum wage increase.

□ 1600

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I would like to thank everybody who participated in this debate and all of those who worked so hard to bring forth this legislation in a bipartisan fashion.

I will be asking for a “no” vote, Mr. Speaker, on the previous question, so that we can amend this rule and allow the House to consider H.R. 60, a bill by our colleague, Mr. BAIRD, under suspension of the rules.

As I stated before, Mr. Speaker, Congress passed last year the Tax Relief and Health Care Act of 2006, which included State and local sales tax deductions.

Over the last 2 years, the sales tax deduction has resulted in billions of dollars in tax savings to millions of hardworking taxpayers throughout the United States. These tax savings have meant a boost to the economy of seven important States affected by the deduction: Washington, Texas, Florida, Nevada, Tennessee, South Dakota and Wyoming. However, that important tax deduction will expire at the end of this year. Failure to extend the sales tax deduction will mean that our constituents may face an unfortunate tax increase.

By defeating the previous question, we will give Members the ability to vote on H.R. 60. Without passage of this important legislation that extends the sales tax deduction, millions in States without an income tax, Washington, Texas, Florida, Nevada, Tennessee, South Dakota and Wyoming, will face a tax increase.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment and extraneous materials immediately prior to the vote on the previous question.

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

There was no objection.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. ARCURI. Mr. Speaker, I first of all would like to thank my fellow New Yorker and the dean of our delegation, Chairman RANGEL, for his very hard work in bringing this very important bipartisan bill to the floor. I think it shows the depth of his knowledge and understanding of the issues, and I think it is very critical that we address this bill today.

Mr. Speaker, \$1.3 billion in tax relief for our small business owners is the kind of sensible, responsible tax relief I am proud to support. Let's help small businesses do what they do best, and that is create jobs and strengthen our economy.

During the debate at the Rules hearing, some of my colleagues were asking the question why we had to move so quickly on this bill, why we couldn't wait until Congress came back in session.

I couldn't help but think of the old adage, why put off until tomorrow what you can do today. People who earn \$5.15 who want the minimum wage raised have been waiting for 10 years. People in small business who pay more than they need to want tax breaks. It is the sensible thing to do, and it is the sensible thing to do right now.

As I said earlier, this is a win-win scenario, because passage of this bipartisan fiscally responsible legislation will also clear the way for a much-needed and well-deserved increase in the minimum wage. America's workers have been waiting far too long for a pay raise. Let's not make them wait any longer.

I urge a “yes” vote on this rule and on the previous question, because our

small business owners need some relief and American workers deserve a raise.

The material previously referred to by Mr. LINCOLN DIAZ-BALART of Florida is as follows:

AMENDMENT TO H. RES. 161 OFFERED BY REP. LINCOLN DIAZ-BALART OF FLORIDA

On page 1, line 6, strike the period and insert “, and the bill (H.R. 60) to amend the Internal Revenue Code of 1986 to make permanent the deduction of State and local general sales taxes.”.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308-311) describes the vote on the previous question on the rule as “a motion to direct or control the consideration of the subject before the House being made by the Member in charge.” To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that “the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition” in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: “The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.”

Because the vote today may look bad for the Democratic majority they will say “the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.” But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's American Congressional Dictionary: “If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.”

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled Amending Special Rules states: “a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.” (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion

and who controls the time for debate thereon.”

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority’s agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. ARCURI. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of adopting the resolution.

The vote was taken by electronic device, and there were—yeas 218, nays 188, not voting 28, as follows:

[Roll No. 100]

YEAS—218

Abercrombie	Ellison	Loebsack
Ackerman	Ellsworth	Lofgren, Zoe
Allen	Emanuel	Lynch
Altmire	Engel	Maloney (NY)
Andrews	Eshoo	Markey
Arcuri	Etheridge	Marshall
Baca	Farr	Matheson
Baldwin	Fattah	Matsui
Barrow	Filner	McCarthy (NY)
Bean	Frank (MA)	McCollum (MN)
Becerra	Giffords	McDermott
Berkley	Gillibrand	McGovern
Berry	Gonzalez	McIntyre
Bishop (GA)	Green, Al	McNerney
Bishop (NY)	Grijalva	McNulty
Blumenauer	Hall (NY)	Meehan
Boren	Hare	Meek (FL)
Boswell	Hastings (FL)	Meeks (NY)
Boucher	Hereth	Melancon
Boyd (FL)	Higgins	Michaud
Boyd (KS)	Hill	Millender-
Brady (PA)	Hinchee	McDonald
Bralley (IA)	Hinojosa	Miller (NC)
Brown, Corrine	Hirono	Miller, George
Butterfield	Hodes	Mitchell
Capps	Holden	Mollohan
Capuano	Holt	Moore (KS)
Cardoza	Honda	Moore (WI)
Carnahan	Hoolley	Moran (VA)
Carney	Hoyer	Murphy (CT)
Carson	Insliee	Murphy, Patrick
Castor	Israel	Murtha
Chandler	Jackson (IL)	Napolitano
Clarke	Jackson-Lee	Neal (MA)
Clay	(TX)	Oberstar
Cleaver	Jefferson	Obey
Clyburn	Johnson (GA)	Olver
Cohen	Johnson, E. B.	Ortiz
Conyers	Jones (NC)	Pallone
Costa	Jones (OH)	Pascrell
Courtney	Kagen	Pastor
Cramer	Kanjorski	Payne
Crowley	Kennedy	Pelosi
Cuellar	Kildee	Perlmutter
Cummings	Kilpatrick	Peterson (MN)
Davis (AL)	Kind	Pomeroy
Davis (CA)	Klein (FL)	Price (NC)
Davis (IL)	Kucinich	Rahall
Davis, Lincoln	Lampson	Rangel
DeGette	Langevin	Reyes
Delahunt	Lantos	Rodriguez
DeLauro	Larsen (WA)	Ross
Dicks	Larson (CT)	Rothman
Dingell	Lee	Roybal-Allard
Doggett	Levin	Ruppersberger
Donnelly	Lewis (GA)	Rush
Doyle	Lipinski	Ryan (OH)

Salazar	Slaughter	Velázquez
Sánchez, Linda	Smith (WA)	Visclosky
T.	Snyder	Walz (MN)
Sanchez, Loretta	Solis	Wasserman
Sarbanes	Space	Schultz
Schakowsky	Spratt	Waters
Schiff	Stupak	Watson
Schwartz	Sutton	Watt
Scott (GA)	Tauscher	Waxman
Scott (VA)	Taylor	Weiner
Serrano	Thompson (CA)	Welch (VT)
Sestak	Thompson (MS)	Wexler
Shea-Porter	Tierney	Wilson (OH)
Sherman	Towns	Woolsey
Shuler	Udall (CO)	Wu
Sires	Udall (NM)	Wynn
Skelton	Van Hollen	Yarmuth

NAYS—188

Aderholt	Franks (AZ)	Pearce
Akin	Frelinghuysen	Pence
Alexander	Garrett (NJ)	Peterson (PA)
Bachmann	Gerlach	Petri
Bachus	Gilchrest	Pickering
Baker	Gillmor	Pitts
Barrett (SC)	Gingrey	Platts
Bartlett (MD)	Goodlatte	Poe
Barton (TX)	Gordon	Porter
Biggert	Granger	Price (GA)
Bilbray	Graves	Pryce (OH)
Bilirakis	Hall (TX)	Putnam
Bishop (UT)	Hastings (WA)	Radanovich
Blackburn	Hayes	Ramstad
Blunt	Heller	Regula
Boehner	Hensarling	Rehberg
Bonner	Herger	Abercrombie
Bono	Hobson	Ackerman
Boozman	Hoekstra	Allen
Brady (TX)	Hunter	Altmire
Brown (SC)	Inglis (SC)	Andrews
Brown-Waite,	Issa	Arcuri
Ginny	Jindal	Baca
Buchanan	Johnson (IL)	Baldwin
Burgess	Johnson, Sam	Baldwin
Burton (IN)	Jordan	Barrow
Buyer	Keller	Bean
Camp (MI)	King (IA)	Becerra
Campbell (CA)	King (NY)	Berkley
Cannon	Kingston	Berry
Cantor	Kirk	Bishop (GA)
Capito	Kline (MN)	Bishop (NY)
Carter	Knollenberg	Blumenauer
Castle	Kuhl (NY)	Boren
Chabot	Lamborn	Boswell
Coble	LaTourrette	Boucher
Cole (OK)	Lewis (CA)	Boyd (FL)
Conaway	Lewis (KY)	Boyda (KS)
Cooper	Linder	Brady (PA)
Crenshaw	Lucas	Bralley (IA)
Cubin	Lungren, Daniel	Brown, Corrine
Culberson	E.	Butterfield
Davis (KY)	Mack	Capps
Davis, David	Mahoney (FL)	Capuano
Davis, Tom	Manzullo	Cardoza
Deal (GA)	Marchant	Carnahan
Dent	McCarthy (CA)	Carney
Diaz-Balart, L.	McCaul (TX)	Carson
Diaz-Balart, M.	McCotter	Castor
Doolittle	McCrery	Chandler
Drake	McHenry	Clarke
Dreier	McHugh	Clay
Duncan	McKeon	Cleaver
Edwards	McMorris	Clyburn
Ehlers	Rodgers	Cohen
Emerson	Mica	Conyers
English (PA)	Miller (FL)	Cooper
Fallin	Miller (MI)	Costa
Feeney	Moran (KS)	Courtney
Ferguson	Musgrave	Cramer
Forbes	Myrick	Crowley
Fortenberry	Neugebauer	Cuellar
Fossella	Nunes	Cummings
Foxx	Paul	Lantos
		Davis (AL)
		Davis (CA)
		Davis (IL)
		Davis, Lincoln
		DeGette
		Delahunt
		Delauro
		Dicks
		Dingell
		Doggett
		Donnelly
		Doyle

NOT VOTING—28

Baird	Gohmert	LoBiondo
Berman	Goode	Lowe
Boustany	Green, Gene	Miller, Gary
Calvert	Gutierrez	Murphy, Tim
Costello	Harman	Nadler
Davis, Jo Ann	Hastert	Nadler
DeFazio	Hulshof	Smith (TX)
Everett	Kaptur	Stark
Flake	LaHood	Wicker
Gallegly	Latham	

□ 1628

Messrs. THORNBERRY, BILBRAY, HALL of Texas, COOPER, GORDON of

Tennessee, EDWARDS, ENGLISH of Pennsylvania, TANNER and SHAYS changed their vote from “yea” to “nay.”

Mr. WYNN changed his vote from “nay” to “yea.”

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

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

RECORDED VOTE

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered. The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 184, not voting 29, as follows:

[Roll No. 101]

AYES—220

Farr	McIntyre
Fattah	McNerney
Filner	McNulty
Frank (MA)	Meehan
Giffords	Meek (FL)
Gillibrand	Meeks (NY)
Gonzalez	Melancon
Gordon	Michaud
Green, Al	Millender-
Grijalva	McDonald
Hall (NY)	Miller (NC)
Hare	Miller, George
Hastings (FL)	Mitchell
Hersth	Mollohan
Higgins	Moore (KS)
Hill	Moore (WI)
Hinchee	Moran (VA)
Hinojosa	Murphy (CT)
Hirono	Murphy, Patrick
Hodes	Murtha
Holden	Napolitano
Holt	Neal (MA)
Honda	Oberstar
Hoolley	Obey
Hoyer	Olver
Insliee	Ortiz
Israel	Pallone
Jackson (IL)	Pascrell
Jackson-Lee	Pastor
(TX)	Payne
Jefferson	Perlmutter
Johnson (GA)	Peterson (MN)
Johnson, E. B.	Pomeroy
Jones (OH)	Price (NC)
Kagen	Rahall
Kanjorski	Rangel
Kaptur	Reyes
Kennedy	Rodriguez
Kildee	Ross
Kilpatrick	Rothman
Kind	Ruppersberger
Klein (FL)	Rush
Kucinich	Ryan (OH)
Lampson	Salazar
Langevin	Sanchez, Linda
Lantos	T.
Larsen (WA)	Sanchez, Loretta
Larson (CT)	Sarbanes
Lee	Schakowsky
Levin	Schiff
Lewis (GA)	Schwartz
Lipinski	Scott (GA)
Loebsack	Scott (VA)
Lofgren, Zoe	Serrano
Lynch	Sestak
Mahoney (FL)	Shea-Porter
Maloney (NY)	Sherman
Markey	Shuler
Marshall	Sires
Matheson	Skelton
Matsui	Slaughter
McCarthy (NY)	Smith (WA)
McCollum (MN)	Snyder
McDermott	Solis
McGovern	Space

Spratt	Udall (NM)	Waxman
Stupak	Van Hollen	Weiner
Sutton	Velázquez	Welch (VT)
Tanner	Viscolsky	Wexler
Tauscher	Walz (MN)	Wilson (OH)
Taylor	Wasserman	Woolsey
Thompson (CA)	Schultz	Wu
Thompson (MS)	Waters	Wynn
Tierney	Watson	Yarmuth
Udall (CO)	Watt	

## NOES—184

Aderholt	Frelinghuysen	Pearce
Akin	Garrett (NJ)	Peterson (PA)
Alexander	Gerlach	Petri
Bachmann	Gilchrest	Pickering
Bachus	Gillmor	Pitts
Baker	Gingrey	Platts
Barrett (SC)	Gohmert	Poe
Bartlett (MD)	Goode	Porter
Barton (TX)	Goodlatte	Price (GA)
Biggert	Granger	Pryce (OH)
Billray	Graves	Putnam
Bilirakis	Hall (TX)	Radanovich
Bishop (UT)	Hastings (WA)	Ramstad
Blackburn	Hayes	Regula
Blunt	Heller	Rehberg
Boehner	Hensarling	Reichert
Bonner	Herger	Renzi
Bono	Hobson	Reynolds
Boozman	Hoekstra	Rogers (AL)
Brady (TX)	Hunter	Rogers (KY)
Brown (SC)	Inglis (SC)	Rogers (MI)
Brown-Waite,	Issa	Rohrabacher
Ginny	Jindal	Ros-Lehtinen
Buchanan	Johnson (IL)	Roskam
Burgess	Johnson, Sam	Roskam
Burton (IN)	Jones (NC)	Royce
Buyer	Jordan	Ryan (WI)
Camp (MI)	Keller	Sali
Campbell (CA)	King (IA)	Saxton
Cannon	King (NY)	Schmidt
Cantor	Kingston	Sensenbrenner
Capito	Kirk	Sessions
Carter	Kline (MN)	Shadegg
Castle	Knollenberg	Shays
Chabot	Lamborn	Shimkus
Coble	LaTourette	Shuster
Cole (OK)	Lewis (CA)	Simpson
Conaway	Lewis (KY)	Smith (NE)
Crenshaw	Linder	Smith (NJ)
Cubin	Lucas	Souder
Culberson	Lungren, Daniel	Stearns
Davis (KY)	E.	Sullivan
Davis, David	Mack	Tancredo
Davis, Tom	Manzullo	Terry
Deal (GA)	Marchant	Thornberry
Dent	McCarthy (CA)	Tiahrt
Diaz-Balart, L.	McCaul (TX)	Tiberi
Diaz-Balart, M.	McCotter	Turner
Doolittle	McCrery	Upton
Drake	McHenry	Walberg
Dreier	McHugh	Walden (OR)
Duncan	McKeon	Walsh (NY)
Ehlers	McMorris	Wamp
Emerson	Rodgers	Weldon (FL)
English (PA)	Mica	Weller
Fallin	Miller (FL)	Westmoreland
Feeney	Miller (MI)	Whitfield
Ferguson	Moran (KS)	Wilson (NM)
Forbes	Musgrave	Wilson (SC)
Fortenberry	Myrick	Wolf
Fossella	Neugebauer	Young (AK)
Foxx	Nunes	Young (FL)
Franks (AZ)	Paul	

## NOT VOTING—29

Baird	Green, Gene	Miller, Gary
Berman	Gutierrez	Murphy, Tim
Boustany	Harman	Nadler
Calvert	Hastert	Pence
Costello	Hulshof	Royal-Allard
Davis, Jo Ann	Kuhl (NY)	Smith (TX)
DeFazio	LaHood	Stark
Everett	Latham	Towns
Flake	LoBiondo	Wicker
Gallely	Lowe	

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

□ 1636

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. KUHL of New York. Mr. Speaker, on rollcall No. 101 I was unavoidably detained. Had I been present, I would have voted "no."

SMALL BUSINESS TAX RELIEF  
ACT OF 2007

Mr. RANGEL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 976) to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes, as amended.

The Clerk read as follows:

H.R. 976

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

**SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the "Small Business Tax Relief Act of 2007".

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; amendment of 1986 Code; table of contents.
- Sec. 2. Extension and modification of work opportunity tax credit.
- Sec. 3. Extension and increase of expensing for small business.
- Sec. 4. Determination of credit for certain taxes paid with respect to employee cash tips.
- Sec. 5. Waiver of individual and corporate alternative minimum tax limits on work opportunity credit and credit for taxes paid with respect to employee cash tips.
- Sec. 6. Family business tax simplification.
- Sec. 7. Denial of lowest capital gains rate for certain dependents.
- Sec. 8. Suspension of certain penalties and interest.
- Sec. 9. Time for payment of corporate estimated taxes.

**SEC. 2. EXTENSION AND MODIFICATION OF WORK OPPORTUNITY TAX CREDIT.**

(a) **EXTENSION.**—Section 51(c)(4)(B) (relating to termination) is amended by striking "2007" and inserting "2008".

(b) **INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.**—

(1) **IN GENERAL.**—Paragraph (5) of section 51(d) is amended to read as follows:

"(5) **DESIGNATED COMMUNITY RESIDENTS.**—

"(A) **IN GENERAL.**—The term 'designated community resident' means any individual who is certified by the designated local agency—

"(i) as having attained age 18 but not age 40 on the hiring date, and

"(ii) as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

"(B) **INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE OR COMMUNITY.**—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, or renewal community."

(2) **CONFORMING AMENDMENT.**—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

"(D) a designated community resident."

(c) **CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.**—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting ", or", and by adding at the end the following new clause:

"(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met."

(d) **TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.**—

(1) **DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.**—

(A) **IN GENERAL.**—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking "agency as being a member of a family" and all that follows and inserting "agency as—

"(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

"(ii) entitled to compensation for a service-connected disability, and—

"(I) having a hiring date which is not more than 1 year after having been discharged or released from active duty in the Armed Forces of the United States, or

"(II) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months."

(B) **DEFINITIONS.**—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

"(C) **OTHER DEFINITIONS.**—For purposes of subparagraph (A), the terms 'compensation' and 'service-connected' have the meanings given such terms under section 101 of title 38, United States Code."

(2) **INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.**—Paragraph (3) of section 51(b) is amended—

(A) by inserting "\$12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii)" before the period at the end, and

(B) by striking "ONLY FIRST \$6,000 OF" in the heading and inserting "LIMITATION ON".

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

**SEC. 3. EXTENSION AND INCREASE OF EXPENSING FOR SMALL BUSINESS.**

(a) **EXTENSION.**—Subsections (b)(1), (b)(2), (b)(5), (c)(2), and (d)(1)(A)(ii) of section 179 (relating to election to expense certain depreciable business assets) are each amended by striking "2010" and inserting "2011".

(b) **INCREASE IN LIMITATIONS.**—Subsection (b) of section 179 is amended—

(1) by striking "\$100,000 in the case of taxable years beginning after 2002" in paragraph (1) and inserting "\$125,000 in the case of taxable years beginning after 2006", and

(2) by striking "\$400,000 in the case of taxable years beginning after 2002" in paragraph (2) and inserting "\$500,000 in the case of taxable years beginning after 2006".

(c) **INFLATION ADJUSTMENT.**—Subparagraph (A) of section 179(b)(5) is amended—

(1) by striking "2003" and inserting "2007",

(2) by striking "\$100,000 and \$400,000" and inserting "\$125,000 and \$500,000", and

(3) by striking "2002" in clause (ii) and inserting "2006".

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

**SEC. 4. DETERMINATION OF CREDIT FOR CERTAIN TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.**

(a) **IN GENERAL.**—Subparagraph (B) of section 45B(b)(1) is amended by inserting "as in effect