

for taxpayers to compute their estimated tax payments and creates a situation in which, just because of its complexity, they can get hit with penalties?

I think the reason Oregonians are concerned about this—we have heard about it in the Senate Finance Committee—is that the AMT is essentially a separate tax system with its own tax rates and deduction rules which are less generous than regular rates and regular rules. This contributes to the tax-filing nightmare. The only way you can tell if you owe the alternative minimum tax is by filling out the forms or by being audited by the Internal Revenue Service. If it turns out you should have paid the alternative minimum tax and didn't, you owe back taxes plus any penalties or interests the IRS wants to dole out.

My question is, I ask my good friend, how in the world is a typical taxpayer going to be able to make sense out of something like that which lots of accountants tell me they cannot even sort through?

Mr. COATS. The Senator from Oregon is exactly right. I took three tax courses in law school. I cannot do my taxes with any assurance that I am doing it right because this code has become so incredibly complicated. The alternative minimum tax adds an additional set of calculations that make it even more complicated.

Today, 80 percent of the tax filers have to get help to file their taxes, 20 percent of those buy software and hook it into their computer and try to work through it that way, and 60 percent take it to a professional. If you are not working as a professional in a career as a CPA or a tax return specialist, you cannot keep up with the 70,000 pages and 10,000-plus exemptions and the complexity of filing a return. It should not in any sense of the matter be a tax collection system that requires 80 percent of our taxpayers to have to seek professional help at a significant cost. As I think I indicated earlier, \$6 billion a year is spent on transferring money from the person paying the taxes to someone just to prepare their returns.

Small businesses face a similar problem. Small businesses do not have the big back room with the hired accountants and others to handle all the paperwork. Small business men and women have to be out front selling the product and have to be talking to the customer. Yet they now also are caught up in this web of complexity in terms of how to file their taxes, and they are having to expend time and money on getting their tax returns filed and making sure they are filed right.

Over time, as the deficit and debt problem has increased significantly, Members have been all the more reluctant to eliminate this on a single stand-alone basis because of the impact it would have on our ballooning deficit. But on comprehensive tax reform, if we can put this together with a package of comprehensive reforms, we can do it in

a revenue-neutral basis so it does not have an adverse impact on the economy.

Again, I commend Senator WYDEN and Senator Gregg for putting together a package that does just that, and I ask my colleague if he wants to elaborate on that a little bit. I thank him for the opportunity to come down to discuss for the first if not the last time some of the egregious aspects of the Tax Code in this country that I think will dictate how we should move forward and why we should move forward in enacting comprehensive tax reform.

I thank the Senator.

Mr. WYDEN. The distinguished majority leader is here. I think we are about to wrap up. I am certainly happy to yield to him if he needs a few minutes to do the business of the Senate, and then Senator COATS and I will wrap up.

Mr. REID. Madam President, it is my understanding that the hour of 5 o'clock has arrived.

The ACTING PRESIDENT pro tempore. The majority leader is recognized. The Senator is correct.

EXTENSION OF MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to a period of morning business from now until 6:30 this evening, with Senators permitted to speak for up to 10 minutes each; that at 6:30 p.m. the majority leader be recognized, and that this work we are going to do during the next hour and a half be for debate only.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oregon.

PATCHING THE AMT

Mr. WYDEN. Madam President, just to wrap up, Senator COATS and I are going to come to the floor in the weeks ahead to outline some of the most outlandish examples of how broken our tax system is. We thought it was appropriate to start with the alternative minimum tax because it really is the poster child for how out of whack the American tax system has become. I think we have highlighted a number of our big concerns, but I want Senators to pick up on the last point Senator COATS made, and that is that the country cannot afford the status quo.

The idea that you would just go out and pass what is called a patch, a kind of bandaids to try to make sure some of the pain is minimized for middle-class folks—the most recent patch for just 2 years cost \$135 billion. The 10-year cost to make the current patch permanent is \$683 billion, according to the Congressional Budget Office. A patch does not protect everybody; it just limits the damage.

What we want to say as we start this debate about how to go forward with tax reform is that the Congress cannot

continue to handle the AMT with a patch. The country cannot afford it. Patching the AMT costs way too much, especially given the discussions we are having here, bipartisan discussions about how to deal with the Federal debt.

The only affordable way to fix the alternative minimum tax, as Senator COATS has outlined this afternoon, is to fix it once and for all and do it within the context of comprehensive tax reform; to pick it up, as was done in the 1980s when a Republican President got together with Democratic Members of Congress and cleaned out special interest loopholes to hold down rates for everybody and give all Americans the opportunity to get ahead while still having a progressive tax system.

We would repeal the alternative minimum tax once and for all and do it in a way that does not add to the Federal deficit. This is not Senator COATS and I plucking a figure out of the sky. The Joint Committee on Taxation has analyzed our bill, and under their analysis, Senator COATS and I eliminate the alternative minimum tax without adding to the Federal deficit. In my view, that is a pretty good way to start tax reform, start it in a bipartisan way and particularly by focusing on something that is so inequitable to hard-working middle-class people.

I thank my good friend from Indiana. I am prepared to yield the floor if my colleague has anything else he wants to say. I want to express my appreciation for the chance to work with him. We cannot deal with these big economic issues, the big economic challenges our country faces without going forward in a bipartisan way. I am very fortunate to have such an able partner. I thank him.

Mr. COATS. I thank the Senator.

Mr. WYDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MERKLEY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARRASSO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECRETARY OF COMMERCE

Mr. BARRASSO. Mr. President, I come today to visit on the floor of the Senate because since last November the President has been trying to convince the American people that he has a plan to restart our economy. He was in North Carolina yesterday with his council to talk about issues. To me, the President's approach has left a lot to be desired. If the White House created as many jobs as it creates speeches, things would be a lot better. The President's empty words are not filling the pockets of American citizens.

The President has been given a new chance to show his commitment to economic growth, and that is the chance