

February 21, 1967, while on duty in South Vietnam. For his valiant leadership and bravery during that day's combat, the Marine Corps posthumously awarded him the Silver Star Medal. Lance Corporal Gomez was also awarded the Purple Heart Medal, a Combat Action Ribbon, a Presidential Unit Citation, the National Defense Service Medal, the Vietnam Campaign Medal, and the Rifle Sharpshooters Badge.

In Harold Gomez's all-too-brief life, he touched many lives and was admired by friends and comrades alike. I consider it a privilege to take this opportunity to honor a true hero who still serves us now as a source of inspiration to the citizens of East Chicago and the whole of Northwest Indiana. On behalf of those citizens from my district who answered their country's call, those who made it home and those who did not, I am proud to introduce this legislation to name an East Chicago post office in honor of Lance Corporal Harold Gomez.

HONORING THE MOST REVEREND
G. AUGUSTUS STALLINGS, JR.,
D.D., ARCHBISHOP AND FOUNDER
ON HIS 25TH ANNIVERSARY AS A
PRIEST AND THE 10TH ANNIVERSARY
OF THE IMANI TEMPLE

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mrs. CLAYTON. Mr. Speaker, on Sunday, July 4, 1999, at 10:00 a.m., when the Nation pauses to celebrate its independence, the Imani Temple, African-American Catholic Congregation, will also pause to celebrate its founding and to properly pay tribute to its Archbishop and Founder, the Most Reverend G. Augustus Stallings, Jr. D.D. This native North Carolinian has made our state proud.

Archbishop Stallings is not an ordinary man. He has braved perilous waters, daring to be different, daring to walk alone, daring to have a purpose firm and daring to make it known. He understands Saint Matthew at Chapter 16, Verse 18, which reminds us that, "Upon this rock I will build my church; and the gates of hell shall not prevail against it." He follows the instruction of Ecclesiastes, Chapter 4, Verse 12, which teaches that, ". . . though a man might prevail against one who is alone, two will withstand him. A threefold cord is not quickly broken."

With faith as his instrument and God as his guide, in the Imani Temple, Archbishop Stallings has created a formless rock, and by joining in a strong, woven cord, the Church helps our families avoid stumbling blocks and helps them shape stepping stones. That is because Father Stallings recognizes that the real strength of America, and the real strength of his Church, is compassion for people, those who live in the shadows of life—the poor, the weak, the frail, the disabled, our children, our seniors, the hungry.

More importantly, unlike some, Archbishop Stallings does not sit in comfortable pews, shielded by stained glass windows, protected from the people and things that many do not

wish to see. No, he makes certain his Church goes out and embraces the huddled masses, crouched beneath the street lights of our Nation.

The common fabric that can be found in Archbishop Stallings and other great leaders of our time is compassion. He cares. He is comfortable, embracing the infirm, hugging a child, standing up for the downtrodden. He responds to the less fortunate among us, those who work hard yet can not make ends meet, those who dwell in the back alleys and on the rear stoops of our towns and cities, in the gutters of America, those who need a little help to make it through the day.

And, so it is fitting, that we pause and pay tribute to Archbishop Stallings on the 10th Anniversary of the founding of Imani Temple and on the 25th Anniversary of his tenure as a Priest.

INTRODUCTION OF A BILL TO
CLARIFY THE TAX TREATMENT
OF SETTLEMENT TRUSTS ESTABLISHED PURSUANT TO THE
ALASKA NATIVE CLAIMS SETTLEMENT ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 24, 1999

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing a bill to clarify the tax treatment of Settlement Trusts authorized by the Alaska Native Claims Settlement Act. This legislation is very similar to a bill that I introduced with my colleagues, Congressman GEORGE MILLER and J.D. HAYWORTH, last Congress.

The bill has been further improved from last Congress and a companion measure was introduced in the Senate recently. This bill will be cited as the "Alaska Native Claims Settlement Act Settlement Trusts Remedial Tax Act of 1999".

Federal law first authorized settlement trusts in 1988 to permit Alaska Native Corporations to provide a variety of benefits to their shareholders in a long term permanent manner. Present law requires settlement trusts to report tax information to their beneficiaries on Form K-1, rather than Form 1099 which corporations use. This causes confusion to the beneficiaries and encourages misreporting of income. This legislation requires all settlement trusts to use Form 1099.

In recent years I have written to the Chairman of the Ways and Means Committee informing him that what had started as a simple proposition, promoted by Congress in the Settlement Trust legislation—to provide aid from a protected source to Alaska Natives who often have very little in other available assets to sustain them and in particular in their retirement years—had become a complex and bewildering situation which frustrated the use of the settlement trust provisions in law. This result stems from an IRS interpretation calling for the immediate taxation to potential beneficiaries when these trusts are established by Alaska Native corporations which have earnings and profits, as opposed to taxation when the money is actually received by the bene-

ficiaries. Put simply, in the case of some beneficiaries, particularly the elderly, who have to prepay taxes in order to receive their benefits and, if they die prematurely, they will not even receive the amount of their prepaid taxes back. Needless to say, this is a substantial impediment to setting up and continuing such beneficial trusts.

But those Native corporations having favorable tax situations which enable them to make contributions to trusts which are not immediately taxable to their beneficiaries face other impediments. The IRS has taken the position that there is no authority to withhold tax from beneficiary payments, which prevents a simple way for a Native to pay his or her tax. The IRS requires that trust reporting to beneficiaries be accomplished via the complex so-called "K-1" form as opposed to the simple 1099 form, so familiar to most of us. As you can imagine, the requirement to use the former, particularly in rural areas in the state of Alaska where accountants may not be readily available, presents major reporting problems. We believe the IRS internally has been supportive of such a change but has advised in the past that it would need to be accomplished by statute.

Finally, the original authorizing legislation failed to provide a mechanism to encourage sustaining the longevity of these trusts dedicated to the goals enumerated. Such trusts are currently treated as regular trusts and penalized for accumulating income with an assessment of the highest marginal tax rate. Accordingly, from the standpoint of a settlement trust, it currently makes good tax sense to distribute all income to the beneficiaries rather than leaving it to be taxed at the current trust tax rate. This, however, does not make good social sense and encourages the opposite result one would envision for these entities, whose goal is to sustain the funds on a long-term basis in order to fulfill the objectives envisioned for Settlement Trusts.

Therefore, I am pleased that, on a bipartisan basis, I can join my colleague and Ranking Minority Member on the Resources Committee, Mr. MILLER, and my other distinguished colleagues Mr. HAYWORTH, Mr. KILDEE and at least 16 other cosponsors to introduce this important remedial legislation. I am attaching a brief summary and section by section analysis of the legislation.

SETTLEMENT TRUST CORRECTIVE TAX
LEGISLATION

Federal law first authorized settlement trusts in 1988 to permit Alaska Native corporations to provide a variety of benefits for their Native shareholders in a long term, permanent fashion. Although Alaska Native corporations are not governments, they do provide many social services to their shareholders. We have worked with the Treasury Department on the proposed legislation, which clarifies present law and provides an elective tax structure to encourage use of these trusts as follows:

(1) Contributions to an electing settlement trust are not taxable to the shareholders. Present IRS ruling policy is that contributions to settlement trusts are deemed distributions to the Native corporation's shareholders. If that corporation has earnings and profits under the tax law, the deemed distributions will then be taxable to the shareholders even though they have not actually