

**SENATE—Tuesday, July 13, 1999***(Legislative day of Monday, July 12, 1999)*

The Senate met at 9:31 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

## PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, You have shown us that there is no limit to the strength You give when we unite in the cause that You have guided. There is a wonderful sense of oneness when we call on Your help together. You are delighted when Your people work together in harmony to confront problems and discover Your solutions. Help us see that our task is not to defeat each other or simply to defend our points of view, but to discuss issues in a way that all aspects of truth are revealed and the best plan for America is agreed upon. So, together, Democrats and Republicans, we ask You to bless the debate on health care this week. Keep all the Senators united in the common goal of working through the issues until they can agree on what is best for all Americans. Keep them and all who work with them focused on positive solutions. Dear God, give us a win-win week for the good of America and for Your glory. Amen.

## PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore. Senator BROWBACK is designated to lead the Senate in the Pledge of Allegiance.

The Honorable SAM BROWBACK, a Senator from the State of Kansas, led the Pledge of Allegiance, as follows:

I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. VOINOVICH). The acting majority leader is recognized.

## SCHEDULE

Mr. BROWBACK. Mr. President, today the Senate will immediately proceed to a period of morning business until 10 a.m. Following morning business, the Senate will resume consideration of the Patients' Bill of Rights. Debate will resume on the pending second-degree amendment regarding emergency medical care coverage. Fur-

ther amendments are expected to be offered and debated during today's session, with votes to be scheduled for this afternoon. For the information of all Senators, the Senate will recess from 12:30 to 2:15 p.m. for the weekly party conference meetings. When the Senate reconvenes at 2:15 p.m., Senator SMITH of New Hampshire will be recognized for up to 45 minutes. I thank my colleagues for their attention.

## MORNING BUSINESS

Mr. BROWBACK. Mr. President, if I could go ahead and proceed this morning, Senator JOHN ASHCROFT, Senator KAY BAILEY HUTCHISON, and myself have reserved 20 minutes to discuss Chairman ROTH's tax package and the marriage penalty in particular. So I will begin that initial discussion in morning business.

## TAX CUTS

Mr. BROWBACK. Mr. President, the chairman of the Finance Committee will be coming out with his mark on tax cuts, and this is a critically important issue. It is an important one for the country. It is important, now that we are looking forward to having some surplus, that we say to the American people: You have been overpaying your taxes, and we want to give some of that back to you. This is over and above Social Security, the amount of the payroll tax that is going to Social Security. So we are setting aside the Social Security trust funds—a lockbox is what we call it, a lockbox for the Social Security surplus—and with the remainder talking about tax cuts, serious tax cuts.

One issue we want to discuss this morning is doing away with the marriage penalty. It seems extraordinary to me that we would have a tax policy in this country that actually penalizes people for getting married. With all the problems we have with families in our society, it seems, if anything, we would want to do just the opposite—we would want to give people a benefit for being married rather than taxing them for being married. And yet the way the code has evolved, today 21 million American married couples pay an average of \$1,400 more in taxes just for the privilege of being married.

I think that is wrong. The Government should not use the coercive power of the Tax Code to erode one of the foundational units of our society, that of marriage. We should stop the tax-

ation. We should put a stop to the marriage penalty tax. This year we can change that.

I am encouraged that the chairman of the Finance Committee, Senator ROTH, and his committee have put forward efforts to alleviate the marriage penalty. We have a unique opportunity to put that issue behind us.

I want to draw Senators' attention to another issue under the marriage penalty area which has not been talked about that much. That is the earned-income tax credit bias against married couples. A significant share of the marriage penalty occurs to low-income couples. It is caused by the loss of the earned-income tax credit when individuals' incomes are combined.

What happens is, you have two-wage-earner families that, if they were not married, if they were single and filing separately, would qualify for the earned-income tax credit. But if they get married and they earn over this mark, they get penalized again for being married.

Estimates by the CBO indicate that what we can do is double, for two-wage-earner families, the amount of income that can be received and still qualify for the earned-income tax credit. Virtually all the benefits of this adjustment in the earned-income tax credit would go to couples with incomes below \$50,000. There are nearly 3.7 million couples in America today that do not receive the earned-income tax credit that would, if we double the amount that they can make, still qualify for the earned-income tax credit.

I point this out because people struggle mightily to raise families, and the notion that we would tax and then tax again low-income families, keeping them from receiving a benefit because they are married, makes absolutely no policy sense at all.

I don't see how on Earth anybody can argue this is a good idea or this is the right thing to do. I am hopeful the chairman of the Finance Committee has focused on this. We can do this. I hope the President will be willing to work with Members of Congress in both the House and the Senate in crafting a tax package we can all agree with, so the American people can stop overpaying their taxes—which they are currently doing.

The CBO is now projecting an onbudget surplus of \$14 billion in fiscal year 2000, with the surplus growing to \$996 billion over the 10-year period beginning in fiscal year 2000. We have this opportunity to eliminate the marriage penalty tax and to do away with

paying the marriage penalty tax on upper-income levels and for those not being given the earned-income tax credit on the lower-income level.

Of course, the surging surplus I was discussing is as a result of payroll tax receipts. I continue to emphasize that.

The majority side wants to put a lockbox around any Social Security surplus and have that maintained only for Social Security. We can do these things. We need to work across the aisle. We need to work with the President. I hope he will be willing to work with Members as we move forward in dealing with the marriage penalty tax, which is a terrible signal to send across society, to send to people across America. We will be working with the chairman of the Finance Committee. I hope this is one tax that can find its death in this round of tax cuts. We will hopefully be going to reconciliation and discussing tax cuts this month. It is a very important topic we will discuss.

I encourage people paying a marriage penalty tax to contact Members regarding how the marriage penalty tax has directly impacted your lives. I have had any number of couples write saying: We wanted to get married but we found out we were going to pay this huge tax for getting married and we could not afford to do that; this is money we wanted to use for a downpayment of a house or to get a car that would work.

They were not able to do it because of the pernicious fiscal effect of the marriage penalty tax. It is a terrible signal we are sending across our society.

Senator HUTCHISON from Texas has been a leader on this issue of dealing with the marriage penalty tax. She has come to the floor, as well, to discuss what we can do. Now is the time to eliminate this marriage penalty tax.

I yield the floor.

#### VISIT TO THE SENATE BY THE HONORABLE JOHN HOWARD, PRIME MINISTER OF AUSTRALIA

Mr. HAGEL. Mr. President, I ask unanimous consent that Members of the Senate greet the Honorable John Howard, Prime Minister of Australia.

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

#### RECESS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate now stand in recess for 5 minutes to greet the Honorable John Howard, Prime Minister of Australia.

There being no objection, the Senate, at 9:45 a.m., recessed until 9:52 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

#### ORDER OF PROCEDURE

Mrs. HUTCHISON. Mr. President, I wonder how much time do we have remaining, with the added time based upon the Prime Minister's appearance?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mrs. HUTCHISON. Mr. President, then I ask you to notify me at 3½ minutes. I intend to give the other 3½ minutes to Senator ASHCROFT.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I was very pleased to meet the Prime Minister from Australia. He asked me where I was from, what State I represented. I said, "I represent the State that everyone says is just like Australia." He said, "Texas?" And I said, "Absolutely." I had a wonderful visit with him. He has a wonderful personality. We are pleased to welcome him to the Senate.

#### TAX CUTS

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank Senator BROWNBACK.

Senator ASHCROFT from Missouri, Senator BROWNBACK, I, and many others have been talking about the marriage penalty tax for two sessions, and even a session before that.

We were stunned when we discovered 44 percent of married couples in the middle-income brackets—in the \$40,000 to \$60,000 range—were paying a penalty just for the privilege of being married.

We have introduced legislation to cut the marriage tax penalty. In fact, both the House and Senate have tax cut plans that we will be discussing over the next few months to try to determine what we can give back to the hard-working Americans who have been sending their money to Washington to fund our Government.

When we start talking about how we are going to give people their money back, I think we have to step back and talk about the basic argument, which is: What do we do with the surplus? And are tax cuts the right way to spend the surplus?

I will quote from a Ft. Worth Star-Telegram opinion piece by one of the editorial writers on that newspaper, Bill Thompson, from June 30, 1999.

He says there is only one question to ask about the budget surplus, and that is:

How should we go about giving the money back to its rightful owners?

And the rightful owners, surely even the biggest nitwit in Washington can understand, are the taxpayers of the United States of America.

The federal government is not a private business that can do whatever it wants to with unexpected profits.

Because, in fact, we are more of a cop. We are not a business that is trying to make a profit and then decide what to do with the profits.

. . . [T]here should be no discussion about the fate of the money. . . .

If there is money left over, we give it back to the people who own that money. We in Washington, DC. do not own that money. The people who earned it own it. It is time we start giving them back the money they have earned.

We are doing what we should be doing. We are cutting back Government spending, so people can keep more of the money they earn. If we do not give it back to them, we will be abusing the power we have to tax the people. We are talking about giving the money back to the people who earn it, and the first place we ought to look is to people who are married who pay more taxes just because they are married. If they were each single they would be paying lower taxes, but because they got married the average is \$1,400 in the marriage penalty tax. That is unconscionable.

Since 1969, we have seen the marriage tax penalty get worse and worse and worse. It was not meant to be that way. Congress did not intend to tax married people more. But because more women have gone into the workforce to make ends meet and to do better for their families, the Tax Code has gotten skewed and the deductions have become unfair. So today we are saying the first priority should be to eliminate the tax that is more on married people than it would be if they were single.

I yield the remainder of my time to Senator ASHCROFT, who is working with me on this very important issue. We will give the taxes that people are paying to the Government back to them because it does not belong to us. It belongs to the people who earn it.

Mr. President, I ask unanimous consent the article by Bill Thompson be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### THE BUDGET SURPLUS: THERE'S ONLY ONE TOPIC THAT NEEDS DISCUSSING

(By Bill Thompson)

Nothing will get the politicians' juices flowing like an avalanche of money. Put large piles of cash in front of a herd of politicians, and the ensuing stampede will crush everything in its path.

Nowhere is this truer than in Washington, D.C., where the latest predictions of burgeoning federal budget surpluses have the president, Congress and everyone in between all but trampling one another in their fervor to dive into those irresistible mountains of money.

Not surprisingly, all the official and semi-official public pronouncements, all the expert analyses and all the wide-eyed speculation about the fate of the extra money seem to arrive at the same conclusion: The politicians will spend it.

In fact, the only question that anyone who's anyone seems to be asking about this "windfall" revenue is: How should we spend it?