July 30, 1999

CONGRESSIONAL RECORD—SENATE

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks. We appreciate very much his cosponsorship of the resolution.

AGRICULTURE APPROPRIATIONS FOR FY 2000

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill (S. 1233) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7. SENSE OF THE SENATE CONCERNING ACTIONS BY THE WORLD TRADE ORGANIZATION RELATING TO TRADE IN AGRICULTURAL COMMODITIES.—

(a) FINDINGS.—The Senate finds that—

(1) agricultural producers in the United States compete effectively when world markets are not distorted by government intervention;

(2) the elimination of barriers to competition in world markets for agricultural commodities is in the interest of producers and consumers in the United States;

(3) the United States must provide leadership on the opening of the agricultural markets in upcoming multilateral World Trade Organization negotiations;

(4) countries that import agricultural commodities are more likely to liberalize practices if they are confident that their trading partners will not curtail the availability of agricultural commodities on world markets for foreign policy purposes; and

(5) a multilateral commitment to use the open market, rather than government intervention, to guarantee food security would advance the interests of the farm community of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) members of the World Trade Organization should undertake multilateral negotiations to eliminate policies and programs that distort world markets for agricultural commodities; and

(2) as part of the multilateral negotiations, members of the World Trade Organization should agree to renounce the use of any trade or other sanctions to prohibit, restrict, or condition agricultural exports.

TAXPAYERS REFUND ACT OF 1999

Mr. ROTH (for himself and Mr. MOYNIHAN) AMENDMENT NO. 1496

On page 10, strike the matter before lines 19 and 20 (as added by the Hutchinson amendment), and insert:

Applicable dollar amount: $4,000

On page 11, strike the matter before line 1 (as added by the Hutchinson amendment), and insert:

Applicable dollar amount: $5,000

On page 11, line 3, strike “‘2007” (as added by the Hutchinson amendment) and insert “2008.”

On page 19, line 7, strike “50” and insert “40”.

In the section at the end of title II relating to expansion of adoption expenses (as added by the Landrieu amendment), strike “$7,500” and insert “$10,000”.

On page 75, line 6, strike “section 401(a)(11) and insert “sections 401(a)(11) and 413(b)(1)”.

On page 87, line 3, strike “Section” and insert “Except as provided in subsection (b) (4)”.  

On page 153, strike lines 17 and 18, and insert:

(2) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e) with respect to which an election under section 410(d) has not been made.”

On page 158, strike lines 8 and 9, and insert:

(8) an individual account plan which is subject to the funding standards of section 332.

Such term shall not include a governmental plan (within the meaning of section 332) or a church plan (within the meaning of section 333) with respect to which an election under section 410(d) of the Internal Revenue Code of 1986 has not been made.

On page 161, after line 23, insert:

SEC. 10. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) In general.—Subpart A of section 401(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

“(2) Special rule in case of certain plans.—

“(3) Plans with less than 100 participants.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

“(II) Plans with less than 100 participants.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

“(3) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained
by the same employer (or any member of such employer’s controlled group within the meaning of section 414(b)(8)(C)) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

“(IV) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS. —Clause (I) shall not apply to a plan described in section 404(a)(8)(B) (relating to employee retirement income security Act of 1974).”

(b) CONFORMING AMENDMENT. —Section 402(2) of title 26 is amended by striking “1970” and inserting “2003”.

“(b) EXCERPTS. —In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to a 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued for such calendar year for the contributions were made) to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), plus

“(ii) the amount of contributions described in section 492(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).

(c) EFFECTIVE DATE. —The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 404. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Subclause (II) of section 117(b)(2)(F)(i), as amended by section 346(c), is amended—

“(1) by striking “$75,000” and inserting “$2,000.”;

“(2) by striking “$75,000 limitation” and inserting “$2,000 limitation of such dollar amount.”;

(b) EFFECTIVE DATE. —The amendments made by this section shall apply to plan years beginning after January 1, 2000.

SEC. 405. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INCOME.

(a) IN GENERAL. —Section 2057(a)(3)(B) (relating to the deduction for family-owned business income) is amended by striking “$675,000” and inserting “$2,000.

(b) EFFECTIVE DATE. —The amendment made by this section shall apply to estates of decedents dying after December 31, 2000.

SEC. 406. LIMITATION ON AMOUNTS Treated as Educational Assistance Provided by an Employee to Children of Employees Excludable from Gross Income as a Scholarship.

(a) IN GENERAL.—Section 117 (relating to qualified scholarships) is amended by adding at the end the following:

“(e) EDUCATION ASSISTANCE PROVIDED TO CHILDREN OF EMPLOYEES.—

“(1) IN GENERAL.—In determining whether any amount is a qualified scholarship for purposes of subsection (a), the fact that such amount is provided in connection with an employment relationship shall be disregarded if—

“(A) such amount is provided by the employer to a child (as defined in section 151(c)(3)) of an employee of such employer,

“(B) such amount is provided pursuant to a plan which meets the nondiscrimination requirements of subsection (d)(3), and

“(C) amounts provided under such plan are also provided to any other compensation payable to employees and such plan does not provide employees with a choice between such amounts and any other benefit.

For purposes of subparagraph (C), the business practices of the employer (as well as such plan) shall be taken into account.

“(2) DOLLAR LIMITATIONS.—

“(A) PER CHILD.—The amount excluded from the gross income of the employer by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

“(B) AGGREGATE LIMIT.—The amount excluded from the gross income of the employer by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

“(C) FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

“(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

On page 195, strike lines 4 through 9, and insert:

SEC. 407. EXPANSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL. —Section 117(b)(2)(F)(i), as amended by section 346(c), is amended by striking “$675,000” each place it appears in the text and inserting “$2,000.”

(b) EFFECTIVE DATE. —The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

On page 225, after line 24, insert:

SEC. 45E. EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL. —For purposes of section 38, in the case of a small employer, the employer health insurance expenses credit determined under this section is an amount equal to the applicable portion of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

“(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is equal to—

“(1) 60 percent in the case of self-only coverage, and

“(2) 70 percent in the case of family coverage (as defined in section 220(c)(5)).

“(c) PER EMPLOYER DOLLAR LIMITATION. —The amount of qualified employer health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

“(1) $1,000 in the case of self-only coverage, and

“(2) $2,715 in the case of family coverage (as defined in section 220(c)(5)).

“(d) DEFINITIONS.—For purposes of this section—

“(1) SMALL EMPLOYER.—

“(A) IN GENERAL. —The term ‘small employer’ means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on the last day of each of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year.
year may be taken into account only if the employer was in existence throughout such year.

(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

(A) IN GENERAL.—The term ‘qualified employee health insurance expenses’ means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

(C) HEALTH INSURANCE COVERAGE.—The term ‘health insurance coverage’ means the term ‘qualified health care plan’ as defined in section 106(b)(1).

(3) QUALIFIED EMPLOYEE.—

(A) IN GENERAL.—The term ‘qualified employee’ means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $15,000.

(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term ‘employee’—

(i) shall not include an employee within the meaning of section 401(c)(1), but

(ii) shall include a leased employee within the meaning of section 414(n), but

(C) WAGES.—The term ‘wages’ has the meaning given such term by section 3401(a) (determined without regard to any dollar limitation contained in such section).

(D) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2001, the amount contained in subparagraph (A) shall be increased by an amount equal to—

(ii) such dollar amount, multiplied by—

(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2000’ for ‘calendar year 1992’ in subparagraph (B) thereof.

(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).

(g) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by—

(1) inserting ‘(i)’ at the beginning of paragraph (b), and

(2) inserting ‘(ii)’ at the beginning of paragraph (c).

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

SEC. **41A. CREDIT FOR MEDICAL INNOVATION EXPENSES.**

(a) GENERAL RULE.—For purposes of section 38, the medical innovation credit determined under this section for the taxable year shall be an amount equal to 40 percent of the excess (if any) of—

(1) the qualified medical innovation expenses for the taxable year, over

(2) the medical innovation base period amount.

(b) QUALIFIED MEDICAL INNOVATION EXPENSES.—For purposes of this section—

(C) IN GENERAL.—The term ‘qualified medical innovation expenses’ means the amounts which are paid or incurred by the taxpayer during the taxable year directly or indirectly to any qualified academic institution for clinical research activities.

(2) CLINICAL TESTING RESEARCH ACTIVITIES.—

(A) IN GENERAL.—The term ‘clinical testing research activities’ means human clinical testing conducted at any qualified academic institution in the development of any product, which occurs before—

(i) the date on which an application with respect to such product is approved under section 355(b), 505, or 507 of the Federal Food, Drug, and Cosmetic Act (as in effect on the date of the enactment of this section),

(ii) the date on which a license for such product is issued under section 361 of the Public Health Service Act (as so in effect), or

(iii) the date of first sale of such product which is a device intended for human use is given under section 313, 514, or 516 of the Federal Food, Drug, and Cosmetic Act (as so in effect).

(B) PRODUCT.—The term ‘product’ means any drug, biologic, or medical device.

(C) QUALIFIED ACADEMIC INSTITUTION.—The term ‘qualified academic institution’ means any of the following institutions—

(A) EDUCATIONAL INSTITUTION.—A qualified organization described in section 170(b)(1)(A)(ii) which is owned by, or affiliated with, an institution of higher education (as defined in section 330(h)).

(B) TEACHING HOSPITAL.—A teaching hospital which—

(i) is publicly supported or owned by an organization described in section 501(c)(3),

(ii) is affiliated with an organization meeting the requirements of subparagraph (A), or

(iii) is a teaching hospital meeting the requirements of subparagraph (A).

(C) FOUNDATION.—A medical research organization described in section 501(c)(3) (other than a private foundation) which is affiliated with, or owned by—

(1) an organization meeting the requirements of subparagraph (A), or

(2) a hospital that is designated as a cancer center by the National Cancer Institute.

(4) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS.—The term ‘qualified medical innovation expenses’ shall not include any amount to the extent such amount is funded...
by any grant, contract, or otherwise by another person (or any governmental entity).

(c) MEDICAL INNOVATION BASE PERIOD AMOUNT.—For purposes of this section, the term 'medical innovation base period amount' means the average annual qualified medical innovation expenses paid by the taxpayer during the 3-taxable year period ending with the taxable year immediately preceding the first taxable year of the taxpayer beginning after December 31, 1998.

(d) SPECIAL RULES.—

(1) LIMITATION ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any clinical testing research activities conducted outside the United States.

(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f) and (g) of section 41 shall apply for purposes of this section.

(3) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

(4) ADDITION OF CREDIT FOR INCREASING RESEARCH EXPENDITURES AND WITH CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES.—Any qualified medical innovation expenses paid for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 or 45C for such taxable year.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) (relating to current year business credits), as amended by this Act, is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting "plus", and by adding at the end the following:

"(16) the medical innovation expenses credited determined under section 41(a)."

(2) TRANSITION RULE.—Section 39(d), as amended by this Act, is amended by adding at the end the following new paragraph:

"(1)土SAXON CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the medical innovation expenses determined under subsection (a) may be carried back to a taxable year beginning before January 1, 1999."

(c) DENIAL OF DOUBLE BENEFIT.—Section 41(a), as amended by this Act, is amended by adding at the end the following new subsection:

"(e) CREDIT FOR INCREASING MEDICAL INNOVATION EXPENSES.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified medical innovation expenses (as defined in section 41(a)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41(a)."

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection."

(3) ADDITION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by redesignating paragraphs (9) through (10) as paragraphs (10) respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) the medical innovation expenses credit determined under section 41(a) (other than such credit determined under the rules of section 280(c)(2)))."

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 41 the following:

"Sec. 41A. Credit for medical innovation expenses."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

NOTICE OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MCCONNELL. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, August 4, 1999 at 9:15 a.m. in Room SR–301 Russell Senate Office Building, to receive testimony on committee nominations.

For further information concerning this meeting, please contact Tamara Somerville at the Rules Committee.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MUKOSKOWSKI. Mr. President, I would like to announce that a full committee oversight hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will take place Tuesday, August 10, 1999 at 8:00 a.m. at the 2nd Floor of the Federal Building and U.S. Court House, 7th & C Street in Anchorage, AK.

The purpose of this hearing is to receive testimony on the implementation of the Alaska National Interest Lands Conservation Act. The hearing will focus on how the Act has been interpreted and implemented by federal regulators since its passage in December of 1980. There will be testimony from the Administration, state and local officials, and other interested parties.

Those who are testifying for the purpose of submitting written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. Presentation of oral testimony is by Committee invitation only. For further information, please contact Jo Meuse or Brian Malnak.

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL CHARLES W. ALSUP, USA

Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to a great patriot, soldier, and father, Colonel Charles W. Alsup. After nearly 28 years of dedicated service around the world, Colonel Alsup will retire from the United States Army on September 30, 1999. Colonel Alsup was born in Birmingham, Alabama. He enlisted in the Army in 1971 as a private and was later commissioned as a Military Intelligence Second Lieutenant upon completion of the Infantry Officer Candidate School at Fort Benning, Georgia.

Throughout his military career, Colonel Alsup distinguished himself as a true professional and an exceptional leader. His initial assignments included: a tour with 8th Special Forces Group, Fort Gulick, Panama; duties as a counterintelligence special agent and staff officer with the 902nd Military Intelligence Group, Fort Meade, MD; and intelligence officer, 4th Battalion, 89th Armor Regiment, 8th Infantry Division in Mainz, Germany during the height of the Cold War. He successfully commanded at the company, battalion, and brigade levels, culminating with the prestigious 501st Military Intelligence Brigade, Yongsan, Korea.

 Colonel Alsup also excelled at a variety of teaching and staff officer positions, including Reservist Officer Training Corps duty at the University of Alabama; Staff Group Leader, Combined Arms and services Staff School, Fort Leavenworth; Director of Intelligence, 24th Infantry Division, Fort Stewart, GA; Director of Intelligence, Eight U.S. Army, Yorktown, VA; and duty on the Army Staff in Legislative Liaison and the Directorate for Operations and Plans.

Colonel Alsup’s final assignment as Assistant Director of Intelligence for the Joint Staff, Washington, DC, showcased his superior grasp of national intelligence issues, his strong management skills, and his ability to perform under pressure. Colonel Alsup provided unparalleled intelligence support to the senior leadership of the Executive and Legislative Branches, contributing significantly to their understanding of national level crisis and contingencies. His positive impact on the Joint Staff, the Defense Intelligence Agency, and the intelligence community will be felt for years to come.

Colonel Alsup is a distinguished graduate of the U.S. Army Command and General Staff College, Fort Leavenworth and the Naval War College, Newport, Rhode Island. His awards and decorations include the Defense Superior Service Medal, the Legion of Merit with Oak Leaf Cluster, the Meritorious Service Medal with Four Oak Leaf Clusters, the Army Commendation Medal with two Oak Leaf Clusters, the Special Forces Tab, the Senior Parachutist Badge, and the Ranger Tab.

Through his distinctive accomplishments, Colonel Charles W. Alsup culminates a distinguished career in the service of his country and reflects great credit upon himself, the United States Army, the Defense Intelligence Agency, and the Department of Defense.

I wish every success to Colonel Alsup as he finishes his truly remarkable military career and thank him for a job exceedingly well done."