

case of any constructive ownership transaction with respect to any financial asset, the term 'net underlying long-term capital gain' means the aggregate net capital gain that the taxpayer would have had if—

“(1) the financial asset had been acquired for fair market value on the date such transaction was opened and sold for fair market value on the date such transaction was closed, and

“(2) only gains and losses that would have resulted from the deemed ownership under paragraph (1) were taken into account.

The amount of the net underlying long-term capital gain with respect to any financial asset shall be treated as zero unless the amount thereof is established by clear and convincing evidence.

“(f) SPECIAL RULE WHERE TAXPAYER TAKES DELIVERY.—Except as provided in regulations prescribed by the Secretary, if a constructive ownership transaction is closed by reason of taking delivery, this section shall be applied as if the taxpayer had sold all the contracts, options, or other positions which are part of such transaction for fair market value on the closing date. The amount of gain recognized under the preceding sentence shall not exceed the amount of gain treated as ordinary income under subsection (a). Proper adjustments shall be made in the amount of any gain or loss subsequently realized for gain recognized and treated as ordinary income under this subsection.

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

“(1) to permit taxpayers to mark to market constructive ownership transactions in lieu of applying this section, and

“(2) to exclude certain forward contracts which do not convey substantially all of the economic return with respect to a financial asset.”.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 1260. Gains from constructive ownership transactions.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after July 11, 1999.

SEC. 504. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Section 448(d)(5) of the Internal Revenue Code of 1986 (relating to special rule for services) is amended—

(1) by inserting “in fields described in paragraph (2)(A)” after “services by such person”, and

(2) by inserting “CERTAIN PERSONAL” before “SERVICES” in the heading.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the tax-

payer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period (not greater than 4 taxable years) beginning with such first taxable year.

SEC. 505. ALLOCATION OF BASIS ON TRANSFERS OF INTANGIBLES IN CERTAIN NON-RECOGNITION TRANSACTIONS.

(a) TRANSFERS TO CORPORATIONS.—Section 351 of the Internal Revenue Code of 1986 (relating to transfer to corporation controlled by transferor) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

“(h) TREATMENT OF TRANSFERS OF INTANGIBLE PROPERTY.—

“(1) TRANSFERS OF LESS THAN ALL SUBSTANTIAL RIGHTS.—

“(A) IN GENERAL.—A transfer of an interest in intangible property (as defined in section 936(h)(3)(B)) shall be treated under this section as a transfer of property even if the transfer is of less than all of the substantial rights of the transferor in the property.

“(B) ALLOCATION OF BASIS.—In the case of a transfer of less than all of the substantial rights of the transferor in the intangible property, the transferor's basis immediately before the transfer shall be allocated among the rights retained by the transferor and the rights transferred on the basis of their respective fair market values.

“(2) NONRECOGNITION NOT TO APPLY TO INTANGIBLE PROPERTY DEVELOPED FOR TRANSFEREE.—This section shall not apply to a transfer of intangible property developed by the transferor or any related person if such development was pursuant to an arrangement with the transferee.”.

(b) TRANSFERS TO PARTNERSHIPS.—Subsection (d) of section 721 of the Internal Revenue Code of 1986 is amended to read as follows:

“(d) TRANSFERS OF INTANGIBLE PROPERTY.—

“(1) IN GENERAL.—Rules similar to the rules of section 351(h) shall apply for purposes of this section.

“(2) TRANSFERS TO FOREIGN PARTNERSHIPS.—For regulatory authority to treat intangibles transferred to a partnership as sold, see section 367(d)(3).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers on or after the date of the enactment of this Act.

SEC. 506. INCREASE IN ELECTIVE WITHHOLDING RATE FOR NONPERIODIC DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 3405(b)(1) of the Internal Revenue Code of 1986 (relating to withholding) is amended by striking “10 percent” and inserting “15 percent”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 2000.

Amend the title so as to read: “To authorize a new trade and investment policy for sub-Saharan Africa, expand trade benefits to the countries in the Caribbean Basin, renew the generalized system of preferences, and reauthorize the trade adjustment assistance programs.”.

THE NURSING RELIEF FOR DISADVANTAGED AREAS ACT OF 1999

LOTT (AND DASCHLE)
AMENDMENT NO. 2326

Mr. ROBERTS (for Mr. LOTT (for himself and Mr. DASCHLE)) proposed an amendment to the bill (H.R. 441) to amend the Immigration and Nationality Act with respect to the requirements for the admission of non-immigrant nurses who will practice in health professional shortage areas; as follows:

At the end of the bill add the following:

SEC. ____ NATIONAL INTEREST WAIVERS OF JOB OFFER REQUIREMENTS FOR ALIENS WHO ARE MEMBERS OF THE PROFESSIONS HOLDING ADVANCED DEGREES OR ALIENS OF EXCEPTIONAL ABILITY.

Section 203(b)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(B)) is amended to read as follows:

“(B) WAIVER OF JOB OFFER.—

“(i) NATIONAL INTEREST WAIVER.—Subject to clause (ii), the Attorney General may, when the Attorney General deems it to be in the national interest, waive the requirements of subparagraph (A) that an alien's services in the sciences, arts, professions, or business be sought by an employer in the United States.

“(ii) PHYSICIANS WORKING IN SHORTAGE AREAS OR VETERANS FACILITIES.—

“(I) IN GENERAL.—The Attorney General shall grant a national interest waiver pursuant to clause (i) on behalf of any alien physician with respect to whom a petition for preference classification has been filed under subparagraph (A) if—

“(aa) the alien physician agrees to work full time as a physician in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs; and

“(bb) a Federal agency or a department of public health in any State has previously determined that the alien physician's work in such an area or at such facility was in the public interest.

“(II) PROHIBITION.—No permanent resident visa may be issued to an alien physician described in subclause (I) by the Secretary of State under section 204(b), and the Attorney General may not adjust the status of such an alien physician from that of a nonimmigrant alien to that of a permanent resident alien under section 245, until such time as the alien has worked full time as a physician for an aggregate of five years (not including the time served in the status of an alien described in section 101(a)(15)(J)), in an area or areas designated by the Secretary of Health and Human Services as having a shortage of health care professionals or at a health care facility under the jurisdiction of the Secretary of Veterans Affairs.

“(III) STATUTORY CONSTRUCTION.—Nothing in this subparagraph may be construed to prevent the filing of a petition with the Attorney General for classification under section 204(a), or the filing of an application for adjustment of status under section 245, by an alien physician described in subclause (I) prior to the date by which such alien physician has completed the service described in subclause (II).

“(IV) EFFECTIVE DATE.—The requirements of this subsection do not affect waivers on behalf of alien physicians approved under section 203(b)(2)(B) before the enactment date of this subsection. In the case of a physician for whom an application for a waiver was filed under Section 203(b)(2)(B) prior to November 1, 1998, the Attorney General shall grant a national interest waiver pursuant to Section 203(b)(2)(B) except that the alien is required to have worked full time as a physician for an aggregate of three years (not including time served in the status of an alien described in section 101(a)(15)(J)) before a visa can be issued to the alien under Section 204(b) or the status of the alien is adjusted to permanent resident under Section 245.”

HATCH AMENDMENT NO. 2327

Mr. ROBERTS (for Mr. HATCH) proposed an amendment to the bill, H.R. 441, *supra*; as follows:

At the end of the bill insert the following:
SEC. . FURTHER CLARIFICATION OF TREATMENT OF CERTAIN INTERNATIONAL ACCOUNTING FIRMS.

Section 206(a) of the Immigration Act of 1990 (8 U.S.C. 1101 note) is amended to read as follows:

“(a) CLARIFICATION OF TREATMENT OF CERTAIN INTERNATIONAL ACCOUNTING AND MANAGEMENT CONSULTING FIRMS.—In applying sections 101(a)(15)(L) and 203(b)(1)(C) of the Immigration and Nationality Act, and for no other purpose, in the case of a partnership that is organized in the United States to provide accounting or management consulting services and that markets its accounting or management consulting services under an internationally recognized name under an agreement with a worldwide coordinating organization that is collectively owned and controlled by the member accounting and management consulting firms or by the elected members (partners, shareholders, members, employees) thereof, an entity that is organized outside the United States to provide accounting or management consulting services shall be considered to be an affiliate of the United States accounting or management consulting partnership if it markets its accounting or management consulting services under the same internationally recognized name directly or indirectly under an agreement with the same worldwide coordinating organization of which the United States partnership is also a member. Those partnerships organized within the United States and entities organized outside the United States which are considered affiliates under this subsection shall continue to be considered affiliates to the extent such firms enter into a plan of association with a successor worldwide coordinating organization, which need not be collectively owned and controlled.”

ADDITIONAL STATEMENTS

TRIBUTE TO THE HONORABLE BRUCE M. SELYA

• Mr. CHAFEE. Mr. President, for the past 5½ years, Judge Bruce Selya has served as Board Chairman of the Lifespan hospital system, a network of five hospitals in Rhode Island and Massachusetts. After an impressive tenure, he is stepping down from that post this week.

As a United States Appeals Court Judge for the First Circuit, Judge Selya already has heavy responsibilities. Nevertheless, he approached this unpaid position with great energy and determination. He has been actively engaged in the health care debates in my state.

Indeed, he was one of the chief architects of the Lifespan system, helping to bring about the initial merger between Rhode Island Hospital and Miriam Hospital in 1994. As Chairman, he oversaw the addition of Bradley Hospital, Newport Hospital, and Boston's New England Medical Center to the system. Together, those five hospitals offer more than 1,600 beds. In 1998, they discharged more than 60,000 patients and treated nearly 200,000 emergency room visitors.

Presumably, any one or more of these facilities might have been acquired by an out-of-state hospital network, reducing them to “satellite” status and moving the decision-making authority out of Rhode Island. Thanks to Judge Selya's leadership and foresight, hospital decisions affecting quality of care for Rhode Islanders are still made within my state's borders.

These past five years have been tumultuous times for the hospital industry, marked by changes in the Medicare and Medicaid programs, and difficulties in the private health insurance market. Judge Selya recognized these challenges as they came along, and he has been responsive to them.

And so, Mr. President, I want to salute Judge Selya for his long-standing commitment to quality health care for the people of Rhode Island. Bruce is a good friend and a long-time supporter, going back to before my first campaign for Governor in 1962. I look forward to continuing our close association in the years ahead.●

A SALUTE TO MEDAL OF FREEDOM RECIPIENT EVY DUBROW

• Mr. HOLLINGS. Mr. President, I rise today to recognize my friend, Evelyn Dubrow, who recently received the Presidential Medal of Freedom. Unfortunately, a previous commitment prevented me from joining Evy's many friends and admirers at the ceremony, but I want to commend her on receiving the nation's highest civilian honor bestowed by the United States Government.

President Kennedy established the Presidential Medal of Freedom award in 1963 to honor persons who have made especially meritorious contributions to the security or national interests of the United States, to world peace, or to cultural or other significant private or public endeavors. There is not a more deserving recipient of this award than Evy Dubrow. As founder of the Coalition of Labor Union Women and Americans for Democratic Action, she tackled difficult issues from fair trade to

civil rights. As legislative director of UNITE and its predecessor, the International Ladies' Garment Workers Union, Evy spent her career fighting not only for labor rights, but for individual rights and humanity. She is by far one of the best I have had the pleasure to know and to work with.

Mr. President, I ask that President Clinton's remarks upon the presentation of the Presidential Medal of Freedom to Evelyn Dubrow be printed in the RECORD:

Evy Dubrow came to Washington more than 40 years ago, ready to do battle for America's garment workers—and do battle she did. When it came to the well-being of workers and their families, this tiny woman was larger than life. The halls of Congress still echo with the sound of her voice, advocating a higher minimum wage, safer work places, better education for the children of working families. And in opposition, to President Ford and me, she also was against NAFTA.

No matter how divisive the issue, however, Evy always seemed to find a way to bring people together, to find a solution. As she put it, there are good people on both sides of each issue. And she had a knack for finding those people.

By the time she retired two years ago, at the age of 80, she had won a special chair in the House Chamber, a special spot at the poker table in the Filibuster Room and a special place in the hearts of even the most hard-bitten politicians in Washington; even more important, for decades and decades, she won victory after victory for social justice.●

A LESSON LEARNED THE HARD WAY

• Mr. LEVIN. Mr. President, it is with great sadness that I reveal yet another tragedy in my state. Early this week, in the dormitories of Kalamazoo College, a 20 year old student allegedly shot and killed his former girlfriend, before turning the gun on himself and committing suicide. Now, two students are dead, and the relatively small campus in Kalamazoo is in deep shock over the loss of their fellow classmates.

The apparent murder-suicide was announced in a campus-wide email, sent to all students to inform them that classes and school events would be canceled, trained counselors would be on hand, and a mass grieving assembly would take place on the campus quad-rangle. To many, such an announcement must have seemed like a terrible nightmare. But students soon realized that this tragedy was not a dream and this week they have been trying to make sense of such senseless violence.

This week, students are being taught the most valuable lesson they'll ever learn in college. Unfortunately, it's a lesson learned the hard way. What they will take away from this tragedy is the knowledge that guns can destroy innocent lives and devastate families; guns can result in pain, suffering, and loss of quality of life; and gun violence will continue to be a reoccurring nightmare for our young people unless Congress