

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Investment Improvement Act of 1999".

SEC. 2. SBIC PROGRAM.

(a) **IN GENERAL.**—Section 308(i)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking "and does not include the value, if any, of contingent obligations, including warrants, royalty, or conversion rights, granting the small business investment company an ownership interest in the equity or increased future revenue of the small business concern receiving the business loan.".

(b) **FUNDING LEVELS.**—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subsection (d)(1)(C)(i), by striking "\$800,000,000" and inserting "\$1,200,000,000"; and

(2) in subsection (e)(1)(C)(i), by striking "\$900,000,000" and inserting "\$1,500,000,000".

(c) **DEFINITIONS.**—

(1) **SMALL BUSINESS CONCERN.**—Section 103(5) of the Small Business Investment Act of 1958 (15 U.S.C. 662(5)) is amended—

(A) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), and indenting appropriately;

(B) in clause (iii), as redesignated, by adding "and" at the end;

(C) by striking "purposes of this Act, an investment" and inserting the following: "purposes of this Act—

"(A) an investment"; and

(D) by adding at the end the following:

"(B) in determining whether a business concern satisfies net income standards established pursuant to section 3(a)(2) of the Small Business Act, if the business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the sum of—

"(i) if the business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this subparagraph), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

"(ii) the net income (so determined) less any deduction for State (and local) income taxes calculated under clause (i), multiplied by the marginal Federal income tax rate that would have applied if the business concern were a corporation;".

(2) **SMALLER ENTERPRISE.**—Section 103(12)(A)(ii) of the Small Business Investment Act of 1958 (15 U.S.C. 662(12)(A)(ii)) is amended by inserting before the semicolon at the end the following: "except that, for purposes of this clause, if the business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the sum of—

"(I) if the business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this clause), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as

applicable) that would have applied if the business concern were a corporation; and

"(II) the net income (so determined) less any deduction for State (and local) income taxes calculated under subclause (I), multiplied by the marginal Federal income tax rate that would have applied if the business concern were a corporation".

(d) **TECHNICAL CORRECTIONS.**—

(1) **REPEAL.**—Section 303(g) of the Small Business Investment Act of 1958 (15 U.S.C. 683(g)) is amended by striking paragraph (13).

(2) **ISSUANCE OF GUARANTEES AND TRUST CERTIFICATES.**—Section 320 of the Small Business Investment Act of 1958 (15 U.S.C. 687m) is amended by striking "6" and inserting "12".

(3) **ELIMINATION OF TABLE OF CONTENTS.**—Section 101 of the Small Business Investment Act of 1958 (15 U.S.C. 661 note) is amended to read as follows:

"SEC. 101. SHORT TITLE.

"This Act may be cited as the 'Small Business Investment Act of 1958'."

Mr. STEVENS. Mr. President, I finally ask consent that S. 364 be placed back on the Calendar.

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

ORDERS FOR TUESDAY, MARCH 23, 1999

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m., Tuesday, March 23. I further ask consent that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved and the Senate resume consideration of S. 544, the supplemental appropriations bill.

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

Mr. STEVENS. I further ask unanimous consent that the time between 10 a.m. and 12:30 p.m. be equally divided between the leaders, or their designees, for debate on the Lott second-degree amendment relating to Kosovo.

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

Mr. STEVENS. I further ask unanimous consent that the Senate stand in recess from 12:30 p.m. to 2:15 p.m. on Tuesday to allow for the weekly caucuses to meet.

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

PROGRAM

Mr. STEVENS. For the information of all Senators, the Senate will reconvene tomorrow at 10 a.m. and resume consideration of the Lott amendment to the supplemental appropriations bill. Under the previous order, the time until 12:30 will be equally divided for debate on the amendment.

The Senate will then recess until 2:15 p.m. for the policy lunches and upon reconvening will proceed to vote on the motion to invoke cloture on the Lott

amendment. Following that vote, it is hoped that the Senate will begin consideration of the fiscal year 2000 budget resolution. Therefore, Members should expect rollcall votes throughout Tuesday's session, with the first vote to occur on cloture at 2:15.

ADJOURNMENT

Mr. STEVENS. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:12 p.m., adjourned until Tuesday, March 23, 1999, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 22, 1999:

FEDERAL MARITIME COMMISSION

JOSEPH E. BRENNAN, OF MAINE, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2003, VICE WILLIAM D. HATHAWAY, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTIONS 624 AND 628:

To be colonel

ROBERT J. VAUGHN, 0000

To be lieutenant colonel

CHARLES E. BUCHANAN, 0000	HAROLD M. McDONALD III, 0000
JAMES F. BUGLEWICZ, 0000	KEVIN C. SMITH, 0000
DUANE L. JONES, 0000	KENNETH V. VOLMERT, 0000

To be major

DAVID H.T. KIM, 0000	DAVID J. REES, 0000
MARK E. NUNES, 0000	JACK F. ROZZO, 0000
	TODD B. SILVERMAN, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531:

To be colonel

GERALD F. BUNTING BLAKE, 0000	CHRISTIAN L. MAEDER, 0000
CHARLES W. CAMPBELL, JR., 0000	JOHN A. REYBURN, JR., 0000
STEPHAN B. CHRISMAN, 0000	FREDERICK W. RUDGE, 0000
DAVID S. DOUGHERTY, 0000	ROBERT L. TRAMALONI, 0000
JAMES R. EBERT, 0000	STANLEY F. UCHMAN, 0000
JAMES E. HANSEN, 0000	MICHAEL J. WHITE, 0000
ROBERT B. HULL, 0000	DAVID C. WILLIAMS, 0000
	BUJUNG ZEN, 0000

To be lieutenant colonel

ROBERT C. ALLEN, 0000	JOSE E. IBANEZ PABON, 0000
ANTHONY H. ARNOLD, 0000	JAMES L. JOHNSON, 0000
BERNADETTE C. ARROYO-KEMP, 0000	HARVEY E. KELLEY, 0000
JEFFERY F. BAKER, 0000	JAMES E. KING, JR., 0000
DAUGLAS E. BEAKES, 0000	MICHAEL A. KOCH, 0000
JAMES H. BERRO, 0000	JOHN KUSSMAUL, JR., 0000
MARCUS P. BEYERLE, 0000	JANICE L. LEE, 0000
JEFFERY M. BISHOP, 0000	RUSSELL M. LINMAN, 0000
JAMES C. BLOOM, 0000	DAVID J. LOUIS, 0000
DEBORAH J. BOSTOCK, 0000	MARK F. LUPPINO, 0000
ROBERT M. FUCHSBAUM II, 0000	CHARLES W. MACKETT, 0000
STEPHEN M. BURNS, 0000	THOMAS L. MCKNIGHT, 0000
WALTER R. CAYCE, 0000	EVELYN MENDEZ, 0000
CEDRIC C. CHENET, 0000	THEODORE A. MICKLE, JR., 0000
JAY A. CLEMENS, 0000	PAUL F. MONTANY, 0000
LOUIS A. DAGOSTINO, 0000	ANDREW R. MONTEIRO, JR., 0000
DOMINIC A. DEFRANCIS, 0000	PAUL S. MUELLER, 0000
ROBERT M. DIXON, 0000	EMMET P. MURPHY, 0000
RUSSELL W. EGGERT, 0000	ANTONIO NELSON, 0000
BRIAN J. FINLEY, 0000	DANNY W. NICHOLLS, 0000
CRAIG A. FLICKINGER, 0000	KEVIN M. NOALL, 0000
RUSSELL G. GELORMINI, 0000	KEITH J. ODEGARD, 0000
DAVID C. HALL, 0000	MARTIN G. OTTOLINI, 0000
KAREN L. HARTER, 0000	MICHAEL S. PANOSIAN, 0000
PETER J. HEATH, 0000	DAVID L. PAUL, 0000
GEORGE M. HILGENDORF, JR., 0000	LEE E. PAYNE, 0000
NEIL C. HUFFMAN, 0000	ROBERT PERSONS, 0000
	JAMES PETTET, 0000
	RONALD PEVETO, 0000
	DANGTUAN PHAM, 0000