

as we have only 20 minutes after time is evenly divided, on each of the 20 amendments we have today, we have to watch everything and make sure we follow the time guidelines. The leaders are not sure when votes will occur, other than the 9:30 votes.

At this time I yield to the Senator from Delaware.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER. The Senator from Delaware.

SCHEDULE

Mr. ROTH. Mr. President, I have a statement to make on behalf of the leader. I recall what my colleague said about today. I hope we can move as expeditiously as possible. It is not necessary that on each of these amendments we take the full time. Obviously, there should be full debate, but I hope, since we have 20 amendments, we can move, as I say, with dispatch.

Today the Senate will begin debate on the Death Tax Elimination Act. By previous consent, the Senate will proceed to the final votes on the Department of Defense authorization bill at approximately 9:30 a.m. Following the disposition of the DOD authorization bill, the Senate will resume the death tax legislation with amendments to be offered and voted on throughout the day.

As previously announced, the Senate will complete action on the death tax bill and the reconciliation legislation prior to adjournment this week. Therefore, Senators should be prepared for a late Friday session and a Saturday session if necessary.

I thank my colleagues for their attention and yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, leadership time is reserved.

DEATH TAX ELIMINATION ACT— Continued

Mr. REID. Mr. President, I yield the Senator from New York whatever time he may consume of the 2 hours.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 3821

Mr. MOYNIHAN. Mr. President, I rise for the purpose of offering an amendment in the nature of a substitute. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 3821.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the “Estate Tax Relief Act of 2000”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

“In the case of estates of decedents dying, and gifts made during:

	The applicable amount is:
2001, 2002, 2003, 2004, and 2005	\$1,000,000
2006 and 2007	\$1,125,000
2008	\$1,500,000
2009 or thereafter	\$2,000,000.”

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

SEC. 3. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

“(2) MAXIMUM DEDUCTION.—

“(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

“(i) the applicable deduction amount, plus

“(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

“(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

“In the case of estates of decedents dying during:

	The applicable deduction amount is:
2001, 2002, 2003, 2004, and 2005	\$1,375,000
2006 and 2007	\$1,625,000
2008	\$2,375,000
2009 or thereafter	\$3,375,000.

“(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

“(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

“(ii) the sum of—

“(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

“(II) the amount of any increase in such estate’s unified credit under paragraph (3)(B) which was allowed to such estate.”

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking “\$675,000” both places it appears and inserting “the applicable deduction amount”, and

(2) by striking “\$675,000” in the heading and inserting “APPLICABLE DEDUCTION AMOUNT”.

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

SEC. 4. SENSE OF SENATE REGARDING SAVINGS.

It is the sense of the Senate that the reduced cost to the Federal Treasury resulting from the amendments made by this Act as compared to the cost to the Federal Treasury of H.R. 8 as received by the Senate from the House of Representatives on June 12, 2000, should be used exclusively to reduce the Federal debt held by the public.

Amend the title so as to read: “An Act to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes.”

Mr. MOYNIHAN. Mr. President, a little background. In 1906, President Theodore Roosevelt sent a proposal to Congress to impose an estate tax. He justified the measure as follows. He said:

A heavy progressive tax upon a very large fortune is in no way a tax upon thrift or industry as a like tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes which would be affected by such a tax; and as an incident to its function of revenue raising, such a tax would help preserve a measurable equality of opportunity for the people of the generations growing to manhood.

That is why we have an estate tax today. Congress had imposed such taxes in the 1800s, generally to fund wars, and indeed we had an income tax during the Civil War. When the need for such revenues eased, why these taxes, including the estate tax, were put aside. Theodore Roosevelt championed the enactment, on a number of times, of the measure that is in the code today. Over the years, the number of taxable estates, estate returns as a percentage of total deaths, has fluctuated, but not very much, from under 1 percent in 1935—which is the very depths of the depression of that decade—to a high of almost 8 percent in 1977, when we changed the tax to bring it back down. And the number of taxable estates today ranges between 1 percent and 2 percent, a level not that different from that of the depths of the depression.

If we make no changes to the tax rules in 2006, the percentage of taxable estates is projected to be lower than today because we raised the limit. The Joint Tax Committee projects that 1.82 percent of estates will be subject to tax. We are still within that very low historic level, that was run up after World War II, and which we brought