

the means to do it. I say to my colleagues on the other side of the aisle: There are no more excuses.

Again, I thank Chairman ROTH for his insight and leadership on this important issue, and I urge my colleagues to support final passage of this bill. I urge President Clinton to sign it.

One last thing, and that is, when you have a \$4.3 trillion surplus in the budget, you know darn well somebody is being taxed too much. Why can't we at least solve these inequities that are literally calling out to us for a solution? Why can't we make it clear that being married should not be a disadvantage to couples? Why don't we make it clear that we are going to treat married couples just as well as those who live together and are not married, who don't pay as much in taxes today?

These three families illustrate this as well as I think we can illustrate it. Why should the Allen family and the Brown family pay \$9,222, while the Campbell-Clark family, just because they live together—each of them single, and each of them earning \$40,000—why should they get a tax bill of \$1,300 less than the other two families?

I urge the President to sign this bill. I think it is the right thing to do.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

PRAYERS AND THOUGHTS FOR SENATOR PAUL COVERDELL

Mr. CRAIG. Mr. President, before I deliver my remarks on the marriage tax penalty, for just a moment, let me say that our colleague, PAUL COVERDELL, is struggling at this moment. Our prayers and thoughts are with him and his wife Nancy as he struggles with his health in an Atlanta hospital. He is a champion of the issue of the marriage penalty tax relief.

MARRIAGE PENALTY TAX RELIEF

Mr. CRAIG. Mr. President, certainly, KAY BAILEY HUTCHISON, our colleague from Texas, has led us on the issue of the marriage penalty tax. I think probably she has sensitized all of us to it as only a woman can. I mean that in the sense of understanding the true balance that ought to be in this Tax Code that isn't in the Tax Code. She has been persistent with the Congress and with this Senate to assure that we develop a sense of equity and balance in the Tax Code that our marriage penalty tax relief legislation will offer.

Who pays the marriage penalty? In our country, about 22 million married couples do. They are not wealthy. They are modest- and middle-income families. In my State of Idaho, that is 129,710 families.

To really bring this home, if, from the time a couple marries, they were to put away, with interest, the difference

in the disparity of taxes between \$1,000 and \$1,400 per year, on the average, for their first child, they could afford to pay 3 years of his or her education at a State institution in my State of Idaho. So it is significant. It is important. There is no question it would help, and can help, the American family.

The usual suspects out there who are opposed to this, I think, are using the most tired and sad arguments against tax relief. They simply are arguing from a position of the wrong facts. We have heard them whining about tax cuts and saying the tax cuts are for the rich and somehow you ought not give the rich any opportunity. Of course, in this instance they have simply missed the mark, and they know it. They know they are on the wrong side of this issue.

Tax relief, in the area of the marriage penalty tax, helps working families. It ends discrimination against married couples. It reduces the Tax Code's antifamily bias that no tax code should have in it. We have always said that the very foundation of our culture and our country is the family, and yet we take advantage of that union in the Tax Code by causing them to pay more in taxes.

Low- and middle-income married couples are the ones who truly are hurt by this penalty. On average, a married couple hit by the marriage penalty will pay about \$1,400 more a year in taxes than two single persons at the same combined income. That is where the penalty rests.

In total, the marriage penalty overcharges couples in this country \$32 billion a year, according to the Congressional Budget Office—that is right, \$32 billion a year—that could stay out there with those young couples.

I use the example in my State of Idaho that if they simply put it in a bank, with interest, by the time their first child is old enough to go to college, they can afford his first or her first 3 years at a State institution in my State.

I think those who oppose marriage tax penalty relief oppose, frankly, all tax relief. The more they can get to spend on Government programs and Government solutions—and go home to their constituents and talk about what wonderful things Government is doing for them—somehow they think that most of our citizens are either undertaxed, and not giving enough to Government for all those wonderful solutions to their problems, or the current Tax Code is fair.

They are not worried about a Tax Code that charges a family an extra \$1,400 or more, when a family certainly needs that additional income as they become a family unit. They are opposed to all tax relief. If you pay taxes, somehow, in this argument, you are rich; and the rich do not need the relief.

How many times have we heard that? At least I have heard it in the good number of years I have been in the Senate. Every time we talk about tax relief, somebody over there on the other side of the aisle says: Gee, those darn Republicans want to give that money back to the rich, and the rich don't need tax relief.

Low- and middle-income families do need tax relief. So the opposition on the other side always ponies up some kind of what I call tax-relief "lite" amendments to offer, so they can show some degree of compassion. Yet at the same time they offer nothing except a new Government program.

Let me break it down into the three most significant ways that the Tax Code extracts the marriage penalty for us to understand.

First of all, it is discrimination in the standard deduction area. About two-thirds of the taxpayers take the standard deduction. For a married couple, the standard deduction this year is \$7,200. For two single taxpayers with the same combined income, it is \$8,600. This is the first \$392 of the marriage penalty. Lower and middle-income taxpayers are more likely to take the standard deduction than upper-income persons. Many middle-income families who itemize are still hurt by standard deduction discrimination because the amount of the standard deduction determines whether they itemize. In other words, one element triggers the other element in our Tax Code.

The Senate bill would provide relief to 25 million couples by making the standard deduction for married couples filing jointly equal to the standard deduction for two singles with the same combined income. That is a little complicated, but it is easy to understand that for those who take the standard deduction—and those tend to be the lower and middle-income families—the benefit is immediate and, as we have said, is approximately \$1,400 a year.

The second area deals with discrimination in the earned-income tax credit area, the EITC. We are all familiar with the EITC. It is supposed to reward work, ease income tax and other tax burdens, and supplement incomes for low-income working families with children. It is astonishing, in a program designed to help lower income families, the phaseout schedule for EITC benefits again imposes an antimarriage, antifamily penalty. This is the very program Congress designed to help low-income families. Yet when we look inside the code, the way the IRS has interpreted it and administers it, there is an antimarriage, antifamily penalty. The Senate bill would begin addressing marriage penalty inequity in the EITC by first increasing the maximum credit by \$526, starting the phaseout range \$2,500 higher than it was at an income level just above \$15,000.