

provide federal support for teacher technology training to better prepare teachers to teach technology to our children.

But, I am gravely concerned that we will not have the resources that will be needed to properly fund our obligations to education—and give back to the American family. A tax cut of the magnitude that George W. Bush is pushing will not only eliminate any increase in funding for the military—as President Bush announced a few days ago—but it will also eliminate any increase in funding for the education of our children.

I say to President Bush—we should not leave our children behind. I am not saying that Democrats do not support a tax cut. To the contrary. However, the difference between Democrats and Republicans is that Democrats are unwilling to jeopardize the domestic dividends that will materialize over the next generation for the health and education of our families.

Specifically, we have to have a fiscally responsible tax cut that allows us to protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, and continue to pay down the debt. Paying down the debt is better than a tax cut because it provides a more direct and efficient mechanism to stimulate the economy through lower interest rates, lower inflation and higher family incomes.

We know that, as the Governor of Texas, President Bush made grand proposals, got just a little piece of what he asked for, and walked away declaring victory. He knows that he won't get all \$1.6 trillion of his tax cut. But he could have—the American people could have—a tax cut of \$900 billion. This amount exceeds the tax cut put forward by the Republicans in 1999 (that was \$792 billion)—less than 3 years ago. A tax cut of \$900 billion provides immediate elimination of the estate tax for virtually all taxpayers (e.g., 95 percent of family farms and 75 percent of family businesses), complete elimination of all 65 marriage penalties, college tuition tax credits and child care credits. And, we can provide business tax cuts such as incentives for research and development and employee pension benefits.

The people of Nevada want a tax cut, I want a tax cut, and Democrats want a tax cut. But we should all remember—the people of Nevada want a strong educational system, I want a strong educational system, and Democrats want a strong educational system. Let us not leave any child behind in this tax and budget debate.

#### AMT REFORM

Mrs. LINCOLN. Mr. President, yesterday Senator LUGAR and I joined forces with a bipartisan group of Sen-

ators to disarm one of the quickest ticking time bombs hidden away in our tax code. Senator LUGAR and I were joined by Senators BREAUX, KYL, LANDRIEU, COCHRAN, and BAYH in introducing a bill to permanently provide tax protection for millions of taxpayers from the Alternative Minimum Tax.

The AMT was created to reduce the ability of some individuals to completely avoid taxation by using tax preference items excluded from the income tax. The AMT was first established in 1969 after the Secretary of Treasury testified before Congress that 155 high-income individuals had paid no federal income taxes in 1966. Over the years the AMT has been amended several times and has gone from what was essentially a surcharge on tax preference items to the current system, which is generally considered a separate tax system that parallels the regular individual income tax but having its own definitions of income, its own rates, and its own problems.

There are two basic problems with the AMT. Number one, there are many items considered in AMT determination that simply should not be there, and number two, the exemption amounts are not indexed. Last Congress I took the lead on combating the former problem, and Senator LUGAR took the lead on the latter. This year we have come together in a bipartisan way to fight both.

There are several tax credits, including the child tax credit which President Bush proposes to double and the Adoption Credit which Senator LANDRIEU is working so hard to revise and expand, that are considered preference items when determining AMT liability. These personal credits along with the standard deduction and the personal exemption can hardly be considered luxury preference items and including them in the AMT calculation goes against the spirit of the reform which brought about the AMT. The bill which I have introduced will permanently remove the nonrefundable personal credits, the standard deduction and the personal exemptions from the AMT formula. In short, Mr. President, no one should be forced into paying higher taxes because they took the Hope Scholarship Credit, the deduction for their spouse and dependents, or because they take the credit for the dependent care services necessary for keeping a job! It is time to permanently protect working families from having to choose between higher taxes and family credits.

The second provision of this bill increases the individual exemption amount for the AMT, and indexes it from here on out. This indexing will make sure that limits we set stay economically accurate as inflation reduces the value of the exemption over time.

I believe this plan is a comprehensive and bipartisan way to take on this

issue and put it to rest for the long term. Even if we do not choose this approach, which I believe is the most effective and cost effective approach, something clearly has to be done now or the AMT will explode in the coming few years. According to research by the Joint Tax Committee and the Treasury Department, the number of taxpayers affected by the AMT is expected to balloon from 1.3 million in 2000 to 17 million by 2010. That is almost 16 percent of all taxable returns! A return, by the way, which takes on the average 5 hours and 39 minutes to fill out. Of those 17 million taxpayers, 4.5 million are expected to be taxpayers who have to give up part of their tax credits to avoid the AMT tax liability. That is wrong and hard working middle-income families deserve better.

I ask my colleagues to take a fair look at this legislation and let's work together to put the AMT back into reason.

#### TAX CUTS

Mr. WELLSTONE. Mr. President, a study by the Center on Budget and Policy Priorities just came out. I want to read one statistic. This is Bob Greenstein's organization. Bob received one of those McArthur genius grants. He deserves it. This data on the tax cuts is so important. It says:

An estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families—would not receive any tax cut from the Bush proposal . . . .

Approximately 24.1 million children—33 percent of all the children in the country—live in these families, and among African Americans and Hispanics, the figures are even more striking: 55 percent of African American children and 56 percent of Hispanic children will receive no tax break at all because it is not refundable. We have to live up to our words of "leave no child behind."

I ask unanimous consent that this study by the Center on Budget and Policy Priorities be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Center on Budget and Policy Priorities, Feb. 7, 2001.]

AN ESTIMATED 12 MILLION LOW- AND MODERATE-INCOME FAMILIES—WITH 24 MILLION CHILDREN—WOULD NOT BENEFIT FROM BUSH TAX PLAN

(By Isaac Shapiro, Allen Dupree and James Sly)

About 12 million low- and moderate-income families with children—nearly one in every three U.S. families—would not receive any assistance from the tax provisions that President Bush is likely to send to Congress on February 8. An estimated 24 million children under age 18—one in every three children—live in these families.

For certain groups, the proportions of families and children not benefitting from the plan are higher. A majority of black and Hispanic children live in families that would