have been if the purported repeal of the pen-
provision will be worse off than they would
their transactions in reliance on the 1997 Act
fication, those taxpayers that have structured
subject to the penalty that the taxpayer be-
will find that its transfer is in fact effectively
this clarification, a taxpayer that transfers in-
with the 1997 Act is in fact eliminated. Without
manner as an actual royalty, ensuring that the
tax credit limitation purposes in the same
limitation purposes in the same manner as ac-
to structure the transaction with the foreign
corporation as a license in exchange for actual
royalty payments.
However, the intended goal of the 1997 Act
provision is achieved only if the deemed roy-
alty payments under section 367(d) not only
are sourced for foreign tax credit purposes in
the same manner as actual royalty payments,
but also are characterized for foreign tax credit
limitation purposes in the same manner as ac-
tual royalty payments. Without a clarification
that deemed royalty payments are character-
ized for foreign tax credit limitation purposes
in the same manner as an actual royalty pay-
ment, there is a risk in many cases that such
deemed royalties would be characterized in a
manner that leads to a foreign tax credit result
that is equally as disadvantageous as the re-
sult that arose under the penalty source rule
that was intended to be eliminated by the 1997 Act.
The bill I am introducing today provides the
needed clarification that deemed royalties under
section 367(d) are treated for foreign tax credit purposes in
the same manner as an actual royalty, ensuring that the
penalty that was intended to be eliminated with the 1997 Act is in fact eliminated. Without this clarification, a taxpayer that transfers in-
tangible property in reliance on the 1997 Act
will find that its transfer is in fact effectively subject to the penalty that the taxpayer be-
lieved had been eliminated. Without the clar-
ification, the courts that have subsequently
their transactions in reliance on the 1997 Act
provision will be worse off than they would
have been if the purported repeal of the pen-
alty source rule had never occurred and they
had continued to structure their transactions to
avoid that penalty. This bill will achieve the in-
tended goals of the 1997 Act and prevent a
terrible trap for the unwary that has been inad-
vertently created.

COMMENDING THE GOVERNMENT
OF BULGARIA

HON. HENRY BONILLA
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001
Mr. BONILLA. Mr. Speaker, I commend the leadership of the government of Bulgaria for its ongoing interest in and support for mod-
ernization of the Maritza III East thermal plant. I urge the sitting Parliament in Sofia to ex-
press their support for this project by granting, all necessary government approvals before their scheduled dismissal prior to the upcom-
ing, general elections. This will ensure that this important project can move forward expe-
ditiously and successfully.
The Maritza III East thermal plant project has benefits that are well documented and widely-acknowledged at the local, regional and national levels. When the refurbishment work begins, more than $75 million in local goods and services will be purchased and more than 600 construction jobs will be created.
Regionally, refurbishment of the Maritza III East power plant will reduce sulphur dioxide emissions by as much as 90 to 95 percent. The refurbished power plant will meet the emissions requirements of the World Bank, European Union, the Bulgarian government, which in turn, will fulfill important criteria for Bulgaria’s ultimate entry into the European Union. Also at the regional level, the joint ven-
ture (Entergy & NEK) company that will oper-
ate the rehabilitated power plant will provide direct and indirect tax revenues to Bulgaria and to the Galabovo municipality in the Stara Zagora region.
On a broader scale, modernization of this power plant will have several positive impacts on Bulgaria’s national economy. Long-term, modernization of this power plant will move Bulgaria closer to competitive energy inde-
pendence.

INTRODUCTION OF THE EXPENS-
ING TECHNOLOGY REFORM ACT OF 2001

HON. JERRY WELLER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001
Mr. WELLE. Mr. Speaker, today, Rep-
resentative NEAL and I have introduced legis-
lation which will update the existing deprecia-
tion schedules for high tech assets. Currently,
businesses must depreciate much of their high
tech equipment over a 5 year period. This bill
would allow businesses to expense these as-
sets.
The 5 year depreciation lifetime for tax pur-
poses is outdated since many companies today must update their computers as quickly
as every 14 months in order to stay techno-
logically current. We allow businesses to ex-
pense their computers, peripheral equipment,
servers, networks, wireless telecommunications equipment, software, high tech med-
ical equipment and copiers in this bill.
This will stimulate the economy! According to a study conducted by the Printing Industries of America, printers would purchase 20 per-
cent more computers if the depreciation schedules reflected the actual life of the equip-
ment.
It is time to update an outdated tax code to
reflect the realities of today’s technology-
Based workplace. A 5 year depreciation schedule for high tech equipment is no longer
realistic.
This legislation will allow every company, from the neighborhood real estate office, to
the local hospital, to the local bank to fully de-
preciate, or expense, their high tech equip-
ment during the tax year in which the equip-
ment is purchased. As a result, these compa-
ies will no longer be forced to keep their equipment “on the books” for tax purposes
long after its useful life has become obsolete.
Mr. Speaker, I look forward to working with
you and my colleagues to get this important
pro-business legislation signed into law.

PERSONAL EXPLANATION

HON. GREG WALDEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001
Mr. WALDEN of Oregon. Mr. Speaker, due
to my presence at a funeral in Oregon on
Tuesday, April 3, I was not able to participate
in any roll call votes that took place on that
day. If I had been present, I would have voted
“yea” on roll call votes #76, #77 and #78.

HONORING THE 50TH ANNIVERSARY OF WMUK RADIO

HON. FRED UPTON
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 2001
Mr. UPTON. Mr. Speaker, I rise today to
honor the 50th Anniversary of one of the finest
radio stations in my state of Michigan, and in-
deed the entire Midwest, WMUK, of Kala-
mazoo, Michigan.
Like many of our country’s greatest institu-
tions, WMUK had modest beginnings. In 1951,
based on the campus of what was then West-
ern Michigan College, WMUK was founded
under the call letters WMCR. WMCR was only
station in Kalamazoo.
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