

vast majority of tribal college students are first-generation college students.

However, the States provide little, if any, funding to the tribal colleges and universities because the vast majority of tribal colleges are located on federal trust lands. Additionally, non-Indians account for about 20 percent of tribal college enrollments, although the States do not provide financial support for these students.

Does the Senator from Iowa agree that the Federal Government needs to play a significant role in funding these schools?

Mr. HARKIN. Yes, I agree with the Senator from North Dakota. The Federal Government provides the core operating funds for the tribal colleges and universities. Without this funding, many of them would have to close their doors.

Mr. CONRAD. And is it the view of the Senator from Iowa that this funding has not reached the level authorized by the Tribally Controlled Colleges and Universities Assistance Act?

Mr. HARKIN. The Senator from North Dakota is correct. Although annual appropriations for tribal colleges have increased in recent years, the per Indian student funding is still less than two-thirds the level authorized by law and significantly lower than the public support given to mainstream community students.

Mr. CONRAD. I thank the Senator. I would also like to note that the need for federal funding is especially critical for these schools because most tribal colleges and universities were founded less than 25 years ago and are located in rural and impoverished areas, and they do not have access to alumni-based funding sources and local financial support.

Mr. JOHNSON. Given the circumstances described by the Senator from North Dakota and my own knowledge of the five tribal colleges in my own State, I ask that every effort be made in Fiscal Year 2002 and beyond to fund the colleges at the level at which they are authorized in the Tribally Controlled College and University Assistance Act. Would the Senator from Iowa agree that with respect to the education funding amendment adopted by the Senate that this will be a priority?

Mr. HARKIN. Yes, I agree with the Senator from North Dakota that a portion of the funding provided by my amendment should be used to help close the gap between the level of funding authorized by the Tribally Controlled College and University Assistance Act and the level of funding the colleges are currently receiving. I believe the funding in my amendment is sufficient to meet the needs of the tribal colleges and universities as well as the other educational needs throughout the country.

Mr. CONRAD. I thank the Senator for his remarks. I am pleased that the

Senator from Iowa, who is a champion of education, shares my strongly-held view that Congress must continue work toward current statutory federal funding goals for the tribal colleges. I look forward to continuing to work with him on this.

#### TRIBUTE TO SENATOR JENNINGS RANDOLPH AND HIS FIGHT FOR THE 26TH AMENDMENT

Mr. ROCKEFELLER. Mr. President, I rise today to pay tribute to Senator Jennings Randolph on the anniversary of the passage of the 26th Amendment. In 1971, a young West Virginian named Debbie Phillips skipped a day of high school. Skipping school is usually frowned upon by parents and teachers, but Debbie, then 18, was anything but another student trying to ditch chemistry, algebra, and history. In fact, Debbie was missing school in order to make history: that day, she registered to vote under the newly-ratified 26th Amendment to the Constitution at the Kanawha County Court House in Charleston, WV. A year later, the 26th Amendment also allowed Debbie to seek an appointment as a delegate at a national convention, making her the first West Virginian under 21 years of age to file for public office.

I was the Secretary of State in West Virginia at the time, so Debbie came to my office to register. Her actions, and those of millions of other young Americans who have accepted the 26th Amendment's invitation to participate in the political process, show how critical young people are to our democracy.

These extraordinary developments were made possible by a great man and a friend of mine—Senator Jennings Randolph, my predecessor as Senator from West Virginia and the "Father of the 26th Amendment." Senator Randolph drafted the amendment and worked tirelessly for its passage, based on his belief that America's youth had a right to be part of our political process. The ratification of the amendment marked a great moment in our country's history. It has allowed young adults to speak for themselves and have their voices heard in the greatest democratic society in the world.

Thirty years ago Saturday, the State of West Virginia ratified the 26th Amendment. This action came in the midst of the Vietnam War, in which nearly half of all the soldiers that America lost were younger than 21. Despite making the ultimate sacrifice for their country, those young soldiers had been unable to vote for the President that was sending them to war. In addition, they were paying taxes and participating in society in every other way; yet they were unable to vote. Senator Randolph changed that forever.

Tomorrow, West Virginia Secretary of State Joe Manchin is holding an

event at our State Capitol encouraging schools to register voters under his West Virginia SHARES program—Saving History and Reaching Every Student. It is so important that young people realize what an awesome power Senator Randolph's crusade brought them. Young Americans were excited to have the right to vote in the early 1970s, but today many 18- to 21-year-olds do not even bother to register. With the exception of 1996, voter participation among citizens between the ages of 18 and 24 has decreased in each Presidential election. Secretary of State Manchin's project is therefore of utmost importance. It is essential that we let young people know of their right, and indeed their responsibility, to vote, and help them register to do so.

Again, I salute Senator Randolph for his tireless efforts to allow Debbie Phillips and countless other young people to improve our democracy.

#### TAX SIMPLIFICATION

Mr. FEINGOLD. Mr. President, I rise to speak on a report issued yesterday by the Joint Committee on Taxation and hearings that are being conducted today in the Finance Committee on the subject of tax simplification.

Last week, on April 16, millions of Americans mailed their tax returns, completing the last step in a process that many found arduous, burdensome, and needlessly confusing. The tax code has become increasingly complex since its last major reform in 1986. Taxpayers grow increasingly frustrated filling out their returns or are forced to pay others to prepare their tax returns for them. The government has thus imposed a kind of tax on paying taxes.

In response to this complexity, most people have apparently thrown up their hands and paid others to fill out their returns. The Internal Revenue Service recently estimated that through the first week of April, about 57 percent of all individual income-tax filers used paid preparers. That rate was up from 56 percent last year.

Paid tax preparers report that they did a booming business this year. Through March 30, H&R Block's revenue for tax preparation services rose by more than 10 percent over last year, to \$1.5 billion. Its average fee rose to about \$109.

Aside from using paid preparers, to avoid tax complexity, many Americans forgo tax benefits to which they are legally entitled. For example, many people use the standard deduction, even though they would save money by itemizing their deductions. The General Accounting Office recently estimated that on more than half a million returns for 1998, taxpayers did not itemize, even though mortgage interest payments alone would have reduced their taxes or increased their refunds.

GAO estimated that the resulting overpayments may have totaled \$311 million, or \$610 per tax return.

Earlier this year, the IRS's acting national taxpayer advocate issued a report to Congress in which he summed up: Complexity "remains the No. 1 problem facing taxpayers, and is the root cause of many of the other problems on the Top 20 list."

All this complexity comes with substantial costs to our economy. Treasury Secretary Paul O'Neill said recently: "The [tax] code today encompasses 9,500 pages of very small print. While every word in the code has some justification, in its entirety it is an abomination. It imposes \$150 billion or more of annual cost on our society with no value creation."

The difficulty of filling out the income tax form is undermining Americans' confidence in the system. When people's interaction with the Federal Government is dominated by complex and burdensome tax forms, it can impair the people's trust in government generally.

We need tax reform and simplification. And now is the perfect time to do something about it.

In a fine Brookings Institution Policy Brief issued this month, scholars Len Burman and Bill Gale write:

Tax complexity is like the weather: everyone talks about it but nobody does anything about it. . . . Unlike the weather, though, policymakers can do something about complexity. And if they do not simplify the tax system now, when there are surplus funds to pay for simplification, they will have lost a golden opportunity.

Burman and Gale are right. Tax simplification needs to be an important part of this year's tax policy debate.

If Congress is to enact a greatly simplified tax code, it needs to have a thorough understanding of the problem as well as specific proposals to consider. Comprehensive studies of the issue can provide a needed impetus. The Report of Secretary of the Treasury Donald Regan, for example, laid the groundwork in substantial part for the 1986 reform.

I chaired the Taxation Committee of the State Senate in Wisconsin when we reformed the tax code in the mid-1980s. Democrats controlled both houses of the Legislature, and we had a Democratic Governor, but we used the Regan tax reform proposal as the basis for much of our own tax reform. The result was a greatly simplified tax system.

Following on that model, in last year's budget resolution, I offered an amendment calling for the Joint Committee on Taxation to conduct a study of means by which we might simplify taxes. The Senate Budget Committee adopted the amendment unanimously. And the budget resolution that Congress adopted on April 13 of last year included it as section 336. That section said, in relevant part: "It is the sense of the Senate that . . . the Joint Com-

mittee on Taxation shall develop a report and alternative proposals on tax simplification by the end of the year. . . ."

The staff of the Joint Committee on Taxation, under the direction of Chief of Staff Lindy Paull, took this and other requests along these lines seriously. They consulted with academics, former chiefs of staff of the Committee, and former Commissioners of the IRS. Staff reviewed proposals that have been made, and considered particular issue areas. The resulting report, released yesterday, suggests ways to accomplish the same policy goals that underlie the current income tax code, but in less duplicative or less convoluted ways.

I am glad to see that the Joint Committee has released its report. Similarly, I am gratified that Finance Committee Chairman CHUCK GRASSLEY is holding a hearing today to receive the report and discuss this important subject.

Although I do not agree with every suggestion put forth in the report, I am convinced that this report and these hearings are exactly the kind of institutional step that we need to take if we are to reform the tax code.

Here are just a few examples of areas where Congress could well simplify the tax code:

**The AMT:** The complicated Alternative Minimum Tax is beginning to affect more and more middle-income taxpayers. It needs reform.

**Capital Gains:** Ever since the 1997 law created differing capital gains rates for differing holding periods, the capital gains form has become very complicated. Some have proposed an exclusion from capital gains income for the first several hundred dollars of capital gains income, so that modest investors in mutual funds would not be subjected to filling out the capital gains schedule.

**The Earned Income Tax Credit:** At the Finance Committee hearing today, Richard Lipton, head of the American Bar Association tax section, argues for simplifying the earned-income tax credit, designed to help low-income working families. In Mr. Lipton's words, "In effect, Congress has given the poor a tax break with one hand and then taken it away with the other by making it too complex to understand."

**Child Credits:** Robert Cherry and Max Sawicky of the Economic Policy Institute have proposed a universal unified child credit that combines the dependent care credit, the earned income tax credit, the child credit, and the additional child credit. Similar work has been advanced by David Ellwood and Jeff Liebman of Harvard University's John F. Kennedy School of Government. Congress could well examine combining various child credits to make them fairer and easier to use.

**The Standard Deduction:** We could expand the standard deduction so that

fewer taxpayers needed to itemize their deductions.

**The Personal and Dependent Exemptions:** Alternatively, we could expand the personal and dependent exemptions.

**The Nanny Tax:** Congress has simplified the law by raising the threshold of wages paid for filing employer taxes and by incorporating the filing into the form 1040. The threshold could be further raised.

**Education Incentives:** Today's code contains several different education incentive provisions, including tuition credits, like Lifetime Learning or the Hope Credit, Education IRAs, State deductible tuition programs, limited interest deductions, and employer provided assistance. These provisions contain numerous and differing eligibility requirements. Congress might work to harmonize these programs.

A simplified tax code makes good economic policy sense. We would improve the economy's efficiency if we could minimize the impact of the tax code on the economic decisions of businesses and individuals.

The tax code's complexity frustrates average households. This is a real issue with many people of fairly modest means. I hold listening sessions in each of Wisconsin's 72 counties every year, and I frequently hear of people's frustrations with the tax code's complexity.

I am gratified to see that the Joint Committee on Taxation has addressed the budget resolution's request seriously, and has produced its extensive product. I commend the Joint Committee's efforts.

We need to advance the process of simplification further. I look forward to working with colleagues in the Finance Committee and the Senate on ways to reform and simplify the tax code.

#### INFORMATION BROKERS

Mr. NELSON of Florida. Mr. President, the Washington Post reported this morning that several prominent banks, insurance companies and law firms regularly purchased consumers' confidential financial information from an information broker that illegally gathered the data using "pretext" calling. This despicable practice involves a caller who contacts a business or government entity and uses a person's social security number or other personal identifier to trick an unsuspecting clerk to provide confidential information about everything from a person's checking account balance to her investment portfolio.

The prohibition against this fraudulent practice was recently strengthened by Congress through the Gramm-Leach-Bliley Act, but reports of abuse have continued. Information brokers with little regard for people's privacy