

Unfortunately, this distinction does not currently apply to the surviving families of officers who fell before January 1987. The law discriminates against these law enforcement officers because it denies their families the right to draw their survivor's benefits without taxes.

We need to treat all of our fallen officers equally. We should single out those brave officers who give their lives protecting society. We should demonstrate a special reverence for their demanding and dangerous work as law enforcement officers. Easing the burden on surviving family members is a fair and appropriate gesture to convey our thanks and respect. Members should show our appreciation by supporting this legislation.

Mr. RAMSTAD. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARR of Georgia). The question is on the motion offered by the gentleman from Minnesota (Mr. RAMSTAD) that the House suspend the rules and pass the bill, H.R. 1727, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. RAMSTAD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. RAMSTAD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 1727.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FAIRNESS FOR FOSTER CARE FAMILIES ACT OF 2001

Mr. LEWIS of Kentucky. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 586) to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes, as amended.

The Clerk read as follows:

H.R. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fairness for Foster Care Families Act of 2001".

SEC. 2. EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY TO PAYMENTS BY QUALIFIED PLACEMENT AGENCIES.

(a) *IN GENERAL.*—The matter preceding subparagraph (B) of section 131(b)(1) of the Internal Revenue Code of 1986 (defining qualified foster care payment) is amended to read as follows:

“(1) *IN GENERAL.*—The term ‘qualified foster care payment’ means any payment made pursuant to a foster care program of a State or political subdivision thereof—

“(A) which is paid by—

“(i) a State or political subdivision thereof, or
“(ii) a qualified foster care placement agency, and”.

(b) *QUALIFIED FOSTER INDIVIDUALS TO INCLUDE INDIVIDUALS PLACED BY QUALIFIED PLACEMENT AGENCIES.*—Subparagraph (B) of section 131(b)(2) of such Code (defining qualified foster individual) is amended to read as follows:“(B) a qualified foster care placement agency.”

(c) *QUALIFIED FOSTER CARE PLACEMENT AGENCY DEFINED.*—Subsection (b) of section 131 of such Code is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) *QUALIFIED FOSTER CARE PLACEMENT AGENCY.*—The term ‘qualified foster care placement agency’ means any placement agency which is licensed or certified by—

“(A) a State or political subdivision thereof, or
“(B) an entity designated by a State or political subdivision thereof,

for the foster care program of such State or political subdivision to make foster care payments to providers of foster care.”

(d) *EFFECTIVE DATE.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. LEWIS) and the gentleman from New York (Mr. McNULTY) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. LEWIS).

Mr. LEWIS of Kentucky. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a straightforward bill which updates and simplifies the Tax Code as it relates to foster care families. Under current law, foster care families are given a tax exemption on the payments they receive through a state-run foster care program. The current law was enacted in 1986. The law recognizes that if you are willing to open your heart and home by participating in foster care, you should receive this exemption. It is that simple.

Over the years, however, States have changed the way foster care services are delivered and many are privatizing or contracting out some or all of their services. When this happens, and a private organization participates in the State program, the tax exemption for families becomes confusing and, in some cases, unfair. Specifically, the exclusion is dependent on a complicated analysis of three factors: the age of the fostered individual, the type of entity that places the individual, and the source of payment.

If the payments are found not excludable because a private entity is participating in one or all of these factors, the foster care provider is then required to keep extensive records of every expense made on behalf of the fostered individual in order to qualify for the exclusion. As my colleagues can imagine, these rules are extremely confusing. In fact, many accountants have difficulty interpreting these rules for families; and as a result, families are discouraged from participating in foster care. This problem is created simply because current law is outdated and no longer reflects the changes States are making in their business practices.

Mr. Speaker, States should be encouraged to be innovative and responsible in their business practices; but more important, foster care families should not be penalized as a result. My bill, H.R. 586, simplifies current law to ensure that the exemption is there for all foster care families regardless of how their State foster care practices change and regardless of the age of the individual.

My bill recognizes the increasing role of private agencies in State foster care plans and also requires these agencies to be licensed and certified by the State in order to participate in a State foster care program.

Again, Mr. Speaker, my bill simplifies and provides fairness for the Tax Code for all foster care families, and I urge my colleagues' support.

Mr. Speaker, I reserve the balance of my time.

Mr. McNULTY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to join with my friend, the gentleman from Kentucky (Mr. LEWIS), in supporting H.R. 586, the Fairness to Foster Care Families Act. H.R. 586 would expand the types of foster care payments that are excludable from a foster family's taxable income. The bill recognizes that payments received by foster families, regardless of the type of agency providing those payments, are needed to care for the foster child and, therefore, should not be taxed.

We have over 560,000 abused, abandoned, and neglected children in our Nation's foster care system who need caring homes as they wait to return to their birth parents or to be adopted. H.R. 586 removes one barrier to at least some families taking a foster child into their homes. Under current law, foster care payments are excluded from taxable income only if the placement and payment is made by a State agency or, in the case of an individual under the age of 19, by a nonprofit agency.

This bill would extend this favorable tax treatment to any foster care payment made by an agency licensed or certified by the State. This would remove restrictions currently imposed on foster families whose payments are