

Gephardt	Matsui	Sawyer
Green	McDermott	Scott
Gutierrez	McGovern	Serrano
Hastings (FL)	McHale	Sherman
Hefner	McKinney	Slaughter
Hilliard	McNulty	Smith, Adam
Hinchee	Meehan	Stabenow
Holden	Meek	Stark
Hoyer	Millender-	Stenholm
Jackson (IL)	McDonald	Stokes
Jackson-Lee	Miller (CA)	Strickland
(TX)	Minge	Stupak
Jefferson	Mink	Tanner
Johnson (WI)	Nadler	Taylor (MS)
Johnson, E.B.	Oberstar	Thompson
Kanjorski	Obey	Thurman
Kaptur	Olver	Tierney
Kennedy (RI)	Owens	Torres
Kilpatrick	Pallone	Towns
Kind (WI)	Payne	Turner
Kucinich	Pelosi	Velazquez
Lantos	Peterson (MN)	Vento
Lewis (GA)	Pickett	Visclosky
Lipinski	Poshard	Waters
Lofgren	Rivers	Watt (NC)
Lowe	Rodriguez	Waxman
Luther	Roemer	Wexler
Maloney (CT)	Rothman	Weygand
Maloney (NY)	Roybal-Allard	Wise
Markey	Rush	Woolsey
Martinez	Sabo	Yates
Mascara	Sanders	

NOT VOTING—11

Bliley	Flake	Linder
Brown (CA)	Gonzalez	McIntosh
Cubin	Harman	Schiff
Dingell	Houghton	

So the resolution was agreed to.

A motion to reconsider the vote whereby said resolution was agreed to was, by unanimous consent, laid on the table.

119.9 FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 97. Joint resolution making further continuing appropriations for the fiscal year 1998, and for other purposes.

119.10 ADDITIONAL COSPONSORS—H.R. 616

Mrs. KELLY, by unanimous consent, was authorized to be considered as the first sponsor of the bill (H.R. 616) to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer, coverage for reconstructive surgery following mastectomies, and coverage for secondary consultations; for the purposes of adding cosponsors and requesting reprints pursuant to clause 4 of rule XXII.

119.11 EDUCATION SAVINGS ACCOUNTS

Mr. ARCHER, pursuant to House Resolution 274, called up the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

When said bill was considered and read twice.

Pursuant to House Resolution 274, the following amendment in the nature of a substitute printed in the bill,

modified by the amendment printed in Part 1 of House Report 105-336, was considered agreed to:

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 "Education Savings Act for Public and Private Schools".

SEC. 2. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

"(2) QUALIFIED EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified education expenses' means—

"(i) qualified higher education expenses (as defined in section 529(e)(3)), and

"(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

Such expenses shall be reduced as provided in section 25A(g)(2).

"(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include amounts paid or incurred to purchase tuition credits or certificates, or to make contributions to an account, under a qualified State tuition program (as defined in section 529(b)) for the benefit of the beneficiary of the account."

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) of such Code is amended by adding at the end the following new paragraph:

"(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tuition, fees, tutoring, special needs services, books, supplies, equipment, transportation, and supplementary expenses required for the enrollment or attendance of the designated beneficiary of the trust at a public, private, or religious school.

"(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A) required for education provided for homeschooling if the requirements of any applicable State or local law are met with respect to such education.

"(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law."

(3) CONFORMING AMENDMENTS.—Subsections (b)(1) and (d)(2) of section 530 of such Code are each amended by striking "higher" each place it appears in the text and heading thereof.

(b) INCREASE IN MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) of the Internal Revenue Code of 1986 is amended by striking "\$500" and inserting "\$2,500".

(2) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) of such Code is amended by striking "\$500" and inserting "\$2,500".

(B) Section 4973(e)(1)(A) of such Code is amended by striking "\$500" and inserting "\$2,500".

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Paragraph 1 of section 530(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: "The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary)."

(d) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Paragraph (1) of section 530(c) of the Internal Revenue Code of 1986 is amended by striking "The maximum

amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(e) EFFECTIVE DATE; REFERENCES.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

(2) REFERENCES.—Any reference in this section to any section of the Internal Revenue Code of 1986 shall be a reference to such section as added by the Taxpayer Relief Act of 1997.

SEC. 3. OVERRULING OF SCHMIDT BAKING COMPANY CASE.

(a) IN GENERAL.—The Internal Revenue Code of 1986 shall be applied (other than with respect to severance pay) without regard to the result reached in the case of Schmidt Baking Company, Inc. v. Commissioner of Internal Revenue, 107 T.C. 271 (1996).

(b) REGULATIONS.—The Secretary of the Treasury or the Secretary's delegate shall prescribe regulations to reflect subsection (a).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsections (a) and (b) shall apply to taxable years ending after October 8, 1997.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for its first taxable year ending after October 8, 1997—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account in such first taxable year.

After debate on the bill, as amended, Mr. RANGEL, pursuant to House Resolution 274, submitted the following amendment as printed in Part 2 of House Report 105-336:

Strike sections 1 and 2 of the bill and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Public School Improvement Act".

SEC. 2. MODIFICATIONS TO EDUCATION ZONE PROVISIONS.

(a) INCREASE IN VOLUME CAP ON BONDS.—Paragraph (1) of section 1397E(c) of the Internal Revenue Code of 1986 (relating to credit to holders of qualified zone academy bonds) is amended by striking "\$400,000,000" and inserting "\$4,000,000,000".

(b) PERMITTED USES OF BOND PROCEEDS TO INCLUDE SCHOOL CONSTRUCTION.—Subparagraph (A) of section 1397E(d)(5) of such Code is amended to read as follows:

"(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,".

Amend the title to read as follows: "To amend the Internal Revenue Code of 1986 to promote the construction and rehabilitation of public schools by increasing the amount of qualified zone academy bonds which may be issued."

After further debate,

The question being put, viva voce,

Will the House agree to said amendment?

The SPEAKER pro tempore, Mr. FOLEY, announced that the nays had it.

Mr. RANGEL objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present, The roll was called under clause 4, rule XV, and the call was taken by electronic device.

When there appeared { Yeas 199 Nays 224

119.12 [Roll No. 523] YEAS—199

- Abercrombie, Ackerman, Allen, Andrews, Baesler, Baldacci, Barcia, Barrett (WI), Becerra, Bentsen, Berry, Bishop, Blagojevich, Blumenauer, Bonior, Borski, Boswell, Boucher, Boyd, Brown (CA), Brown (FL), Brown (OH), Cardin, Carson, Clay, Clayton, Clement, Clyburn, Condit, Conyers, Costello, Coyne, Cramer, Cummings, Danner, Davis (FL), Davis (IL), DeFazio, DeGette, Delahunt, DeLauro, Dellums, Deutsch, Dicks, Dingell, Dixon, Doggett, Dooley, Doyle, Edwards, Engel, Eshoo, Etheridge, Evans, Farr, Fattah, Fazio, Filner, Ford, Frank (MA), Frost, Furse, Gejdenson, Gephardt, Goode, Gordon, Green, Gutierrez, Hall (OH), Hamilton, Harman, Hastings (FL), Hefner, Hilliard, Hincey, Hinojosa, Holden, Hooley, Hoyer, Jackson (IL), Jackson-Lee, Jefferson, John, Johnson (CT), Johnson (WI), Johnson, E. B., Kanjorski, Kaptur, Kennedy (MA), Kennedy (RI), Kennelly, Kildee, Kilpatrick, Kind (WI), Kleczka, Conyers, Kucinich, LaFalce, Lampson, Lantos, Levin, Lewis (GA), Lowey, Luther, Maloney (CT), Maloney (NY), Manton, Markey, Martinez, Mascara, Matsui, McCarthy (MO), McCarthy (NY), McDermott, McGovern, McHale, McHugh, McIntyre, McKinney, Farr, McNulty, Meehan, Meek, Menendez, Millender-McDonald, Miller (CA), Minge, Mink, Moakley, Mollohan, Moran (VA), Murtha, Nadler, Neal, Oberstar, Obey, Olver, Ortiz, Owens, Pallone, Pascrell, Pastor, Payne, Pelosi, Pickett, Pomeroy, Poshard, Price (NC), Rahall, Rangel, Reyes, Rivers, Rodriguez, Roemer, Rothman, Roybal-Allard, Rush, Sanchez, Sanders, Sandlin, Sawyer, Schumer, Scott, Serrano, Sherman, Sisisky, Porter, Skaggs, Skelton, Slaughter, Smith, Adam, Snyder, Spratt, Stabenow, Stark, Stenholm, Stokes, Strickland, Stupak, Tanner, Tauscher, Taylor (MS), Thompson, Thurman, Tierney, Torres, Towns, Traficant, Turner, Velazquez, Vento, Waters, Watt (NC), Waxman, Wexler, Weygand, Wise, Woolsey, Wynn, Yates

NAYS—224

- Aderholt, Archer, Arney, Bachus, Baker, Ballenger, Barr, Barrett (NE), Bartlett, Barton, Bass, Bateman, Bereuter, Bilbray, Bilirakis, Bliley, Blunt, Boehlert, Boehner, Bonilla, Bono, Brady, Bryant, Bunning, Burr, Burton, Buyer, Callahan, Calvert, Camp, Campbell, Canady, Cannon, Castle, Chabot, Chambliss, Chenoweth, Christensen, Coburn, Collins, Combest, Cook, Cooksey, Cox, Crane, Crapo, Cunningham, Davis (VA), Deal, DeLay, Diaz-Balart, Dickey, Doolittle, Dreier, Duncan, Dunn, Ehlert, Ehrlich, Emerson, English, Ensign, Everrett, Ewing, Fawell, Foley, Forbes, Fowler, Fox, Franks (NJ), Frelinghuysen, Gallegly, Ganske, Gekas, Gibbons, Gilchrist, Gillmor, Gilman, Goodlatte, Goodling, Goss, Graham, Granger, Greenwood, Gutknecht, Hall (TX), Hansen, Hastert, Hastings (WA), Hayworth, Hefley, Herger, Hill, Hilleary, Hobson, Hoekstra, Horn, Hostettler, Hulshof, Kucinich, LaFalce, Lampson, Lantos, Levin, Lewis (GA), Lowey, Luther, Maloney (CT), Maloney (NY), Manton, Markey, Martinez, Mascara, Matsui, McCarthy (MO), McCarthy (NY), McDermott, McGovern, McHale, McHugh, McIntyre, McKinney, Farr, McNulty, Meehan, Meek, Menendez, Millender-McDonald, Miller (CA), Minge, Mink, Moakley, Mollohan, Moran (VA), Murtha, Nadler, Neal, Oberstar, Obey, Olver, Ortiz, Owens, Pallone, Pascrell, Pastor, Payne, Pelosi, Pickett, Pomeroy, Poshard, Price (NC), Rahall, Rangel, Reyes, Rivers, Rodriguez, Roemer, Rothman, Roybal-Allard, Rush, Sanchez, Sanders, Sandlin, Sawyer, Schumer, Scott, Serrano, Sherman, Sisisky, Porter, Skaggs, Skelton, Slaughter, Smith, Adam, Snyder, Spratt, Stabenow, Stark, Stenholm, Stokes, Strickland, Stupak, Tanner, Tauscher, Taylor (MS), Thompson, Thurman, Tierney, Torres, Towns, Traficant, Turner, Velazquez, Vento, Waters, Watt (NC), Waxman, Wexler, Weygand, Wise, Woolsey, Wynn, Yates

- Knollenberg, Kolbe, LaHood, Largent, Latham, LaTourette, Lazio, Leach, Lewis (CA), Lewis (KY), Linder, Lipinski, Livingston, LoBiondo, Lucas, Manzullo, McCollum, McCrery, McDade, McInnis, Gilman, Metcalf, Mica, Miller (FL), Moran (KS), Morella, Myrick, Gutknecht, Neumann, Ney, Northup, Norwood, Nussle, Oxley, Packard, Pappas, Parker, Paul, Paxon, Pease, Peterson (MN), Peterson (PA), Petri, Pickering, Pitts, Pomo, Porter, Portman, Pryce (OH), Quinn, Kasich, Kelly, Kim, King (NY), Kingston, Klug, Berman, Capps, Cubin, Flake, Foglietta, Gonzalez, Houghton, McIntosh, Schiff, Visclosky, Rogan, Rogers, Rohrabacher, Ros-Lehtinen, Roukema, Royce, Ryan, Sabo, Salmon, Sanford, Saxton, Scarborough, Schaefer, Dan, Schaffer, Bob, Sensenbrenner, Sessions, Shadegg, Shaw, Shays, Shimkus, Shuster, Skee, Smith (MI), Smith (NJ), Smith (OR), Smith (TX), Smith, Linda, Snowbarger, Solomon, Souder, Spence, Stearns, Stump, Sununu, Talent, Tauzin, Taylor (NC), Thomas, Thornberry, Thune, Tiahrt, Upton, Walsh, Wamp, Watkins, Watts (OK), Weldon (FL), Weldon (PA), Weller, White, Whitfield, Wicker, Wolf, Young (AK), Young (FL)

NOT VOTING—10

- Berman, Capps, Cubin, Flake, Foglietta, Gonzalez, Houghton, McIntosh, Schiff, Visclosky

So the amendment was not agreed to. The previous question having been ordered by said resolution. The bill, as amended, was ordered to be engrossed and read a third time, was read a third time by title.

The question being put, viva voce, Will the House pass said bill? The SPEAKER pro tempore, Mr. FOLEY, announced that the yeas had it.

Mr. RANGEL demanded that the vote be taken by the yeas and nays, which demand was supported by one-fifth of the Members present, so the yeas and nays were ordered.

The vote was taken by electronic device.

It was decided in the { Yeas 230 Nays 198 affirmative

119.13 [Roll No. 524] YEAS—230

- Aderholt, Archer, Arney, Bachus, Baker, Ballenger, Barr, Bartlett, Barton, Bass, Bateman, Bereuter, Bilbray, Bilirakis, Bliley, Blunt, Boehlert, Boehner, Bonilla, Bono, Boyd, Brady, Bryant, Bunning, Burr, Burton, Buyer, Callahan, Calvert, Camp, Campbell, Canady, Cannon, Castle, Chabot, Chambliss, Chenoweth, Christensen, Coburn, Collins, Combest, Cook, Cooksey, Cox, Crane, Crapo, Cunningham, Davis (VA), Deal, DeLay, Diaz-Balart, Dickey, Doolittle, Dreier, Duncan, Dunn, Ehlert, Ehrlich, Emerson, English, Ensign, Everrett, Ewing, Fawell, Foley, Forbes, Fowler, Fox, Franks (NJ), Frelinghuysen, Gallegly, Ganske, Gekas, Gibbons, Gilchrist, Gillmor, Gilman, Goodlatte, Goodling, Goss, Graham, Granger, Greenwood, Gutknecht, Hall (TX), Hansen, Hastert, Hastings (WA), Hayworth, Hefley, Herger, Hill, Hilleary, Hobson, Hoekstra, Horn, Hostettler, Hulshof, Kucinich, LaFalce, Lampson, Lantos, Levin, Lewis (GA), Lowey, Luther, Maloney (CT), Maloney (NY), Manton, Markey, Martinez, Mascara, Matsui, McCarthy (MO), McCarthy (NY), McDermott, McGovern, McHale, McHugh, McIntyre, McKinney, Farr, McNulty, Meehan, Meek, Menendez, Millender-McDonald, Miller (CA), Minge, Mink, Moakley, Mollohan, Moran (VA), Murtha, Nadler, Neal, Oberstar, Obey, Olver, Ortiz, Owens, Pallone, Pascrell, Pastor, Payne, Pelosi, Pickett, Pomeroy, Poshard, Price (NC), Rahall, Rangel, Reyes, Rivers, Rodriguez, Roemer, Rothman, Roybal-Allard, Rush, Sanchez, Sanders, Sandlin, Sawyer, Schumer, Scott, Serrano, Sherman, Sisisky, Porter, Skaggs, Skelton, Slaughter, Smith, Adam, Snyder, Spratt, Stabenow, Stark, Stenholm, Stokes, Strickland, Stupak, Tanner, Tauscher, Taylor (MS), Thompson, Thurman, Tierney, Torres, Towns, Traficant, Turner, Velazquez, Vento, Waters, Watt (NC), Waxman, Wexler, Weygand, Wise, Woolsey, Wynn, Yates

- Burton, Buyer, Callahan, Calvert, Camp, Campbell, Canady, Cannon, Castle, Chabot, Chambliss, Chenoweth, Christensen, Clement, Coble, Coburn, Collins, Combest, Condit, Johnson, Sam, Jones, Kasich, Kelly, Kim, King (NY), Kingston, Danner, Klug, Davis (VA), Deal, DeLay, Diaz-Balart, Dickey, Latham, Doolittle, Dreier, Leach, Lewis (CA), Lewis (KY), Linder, Lipinski, Emerson, English, Ensign, Everrett, Ewing, Fawell, Flake, Foley, Forbes, Fowler, Fox, Franks (NJ), Frelinghuysen, Gallegly, Ganske, Moran (VA), Myrick, Nethercutt, Neumann, Ney, Northup, Norwood, Nussle, Oxley, Packard, Pappas, Parker, Paul, Paxon, Pease, Peterson (MN), Peterson (PA), Petri, Pickering, Pitts, Pomo, Porter, Portman, Pryce (OH), Quinn, Kasich, Kelly, Kim, King (NY), Kingston, Klug, Berman, Capps, Cubin, Flake, Foglietta, Gonzalez, Houghton, McIntosh, Schiff, Visclosky, Rogan, Rogers, Rohrabacher, Ros-Lehtinen, Roukema, Royce, Ryan, Sabo, Salmon, Sanford, Saxton, Scarborough, Schaefer, Dan, Schaffer, Bob, Sensenbrenner, Sessions, Shadegg, Shaw, Shays, Shimkus, Shuster, Skee, Smith (MI), Smith (NJ), Smith (OR), Smith (TX), Smith, Linda, Snowbarger, Solomon, Souder, Spence, Stearns, Stump, Sununu, Talent, Tauzin, Taylor (NC), Thomas, Thornberry, Thune, Tiahrt, Upton, Walsh, Wamp, Watkins, Watts (OK), Weldon (FL), Weldon (PA), Weller, White, Whitfield, Wicker, Wolf, Young (AK), Young (FL)

NAYS—198

- Abercrombie, Ackerman, Allen, Andrews, Baesler, Baldacci, Barcia, Barrett (NE), Barrett (WI), Bateman, Becerra, Bentsen, Berman, Berry, Blagojevich, Blumenauer, Boehlert, Bonior, Borski, Boswell, Boucher, Brown (CA), Brown (FL), Brown (OH), Capps, Cardin, Carson, Clay, Clayton, Clyburn, Conyers, Costello, Coyne, Cramer, Cummings, Davis (FL), Davis (IL), DeFazio, DeGette, Delahunt, DeLauro, Dellums, Deutsch, Dicks, Dingell, Dixon, Doggett, Dooley, Doyle, Edwards, Engel, Eshoo, Etheridge, Evans, Farr, Fattah, Fazio, Filner, Foglietta, Ford, Frank (MA), Frost, Furse, Gejdenson, Gephardt, Gordon, Green, Gutierrez, Hamilton, Harman, Hastings (FL), Hefner, Hilliard, Hincey, Hinojosa, Holden, Hooley, Hoyer, Jackson (IL), Jackson-Lee, Eshoo, Jefferson, John, Johnson (CT), Johnson (WI), Johnson, E. B., Kanjorski