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Fax Cover Sheet

Office of Senator Bingaman

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TO: Gene Sperling
OFFICE: NEC

FROM: Ed McGaffigan
OFFICE: Office of Senator Jeff Bingaman
United States Senate
Washington, DC 20510

PAGES: 15 total (including cover sheet)

Comments:

47th in per capita income

Senate Budget Committee analysis of Senate Republican Agenda. Any New Mexico detail you could provide on how this helps the wealthy (of which we have few) and hurts the poor would be useful. For example, doubling the child tax exemption as opposed to a credit that would spend an equivalent amount (not that we have the money for either) would benefit few New Mexicans. Most New Mexicans can take IRA deductions now. IRA plus helps the wealthy few. Etc.

90%?

Sending to Fax Number: (202) 456-2878

The Senate Republican Agenda

-- An Analysis --

Senate Budget Committee
September 26, 1994

THE REPUBLICAN AGENDA: AN ANALYSIS

-- BENEFITTING THE WEALTHY --

The Senate Republican Agenda is surprisingly reminiscent of tax plans from the Reagan years -- offering billions of dollars in tax cuts (many of which go to the wealthiest in our society) while at the same time, promising to balance the budget. Even more astounding is the fact that most Republicans have voted against similar proposals in past years -- rejecting both a child care tax credit and an expanded IRA plan in 1992 and an expansion of the Earned Income Tax Credit in 1993.

The phased-in reduction of the capital gains tax rate and the indexation of assets for inflation are recycled Reagan-Bush proposals that have been repeatedly rejected. They are -- pure and simple -- expensive tax cuts for the wealthy that this nation can ill afford.

- In 1992, the Joint Tax Committee found that more than half of the benefits from a capital gains rate cut would go to families with $200,000 or more of annual income.
- Over 70 percent of the gains from the cut would go to Americans making over $100,000 a year.

The IRA-Plus proposal continues the theme of providing tax breaks for those with the most income -- and it incorporates a little budget gimmickry to boot. How? Most Americans (70 percent) are already eligible to contribute to an IRA on a tax deductible basis. An IRA-Plus would merely remove the income cap on participation -- currently $50,000 for a married couple -- so as to provide a new tax benefit to more affluent people.

- Who will use the new benefit? At least 95 percent of the proposed new tax benefit would go the top fifth of all taxpayers and one-third would go to the richest 3 percent, according to estimates for past IRA expansion proposals.
- According to the Congressional Research Service (CRS), " a restoration of IRAs would likely benefit primarily higher-income individuals, not only because they are more likely to use IRAs but also because IRAs are currently available to low-income and middle-income individuals."

- A CRS review of economic theory found that IRAs could "reduce national savings" rather than increase it as the proponents of the IRA-Plus proposal suggest. CRS cites a variety of sources for this statement including evidence from the 1980s that shows that even as IRA contributions were significant, the national savings rate fell substantially.

- Other empirical research suggests that providing a new IRA tax break will attract new dollars but at the expense of other forms of savings. Thus, an IRA-Plus might generate no new savings. Rather it could encourage shifting from one form of saving to another.

The last time IRAs were uncapped, only 15 percent of all taxpayers contributed to IRAs. Even more telling, only 2 percent of taxpayers in the bottom third of tax returns and only 9 percent of taxpayers in the middle third made IRA contributions. Participation rose with income: 33 percent of the top third contributed, half of the taxpayers in the top 10 percent contributed, and 70 percent of taxpayers in the top one percent contributed.

Finally, the Republican plan relies on a budget gimmick to ensure savings from the IRA-Plus proposal during the first five years. The proposal would allow rollovers -- that is, one-time transfers of money from existing IRAs to the new IRA-Plus accounts -- which would then be subject to tax. The tax revenues from these rollovers obscure what is really happening to the Federal budget. After five years, the IRA-Plus account would begin to increase the budget deficit by as much as $8 billion per year according to estimates of similar proposals.

Even the dependent exemption increase, which is crafted as a middle income tax cut, is fraught with equity problems. Consider:

- Working families with incomes below $16,000 would receive no benefit from the exemption increase.

- Families with bigger incomes would get bigger tax cuts. For example, take two families with incomes of $40,000 and $180,000 respectively. If both families have two children, the net effect of the exemption increase is $750 for the lower income family and $1,800 for the upper income family. The Republican plan would provide the wealthier family with a tax break $1,050 larger than it would give the lower income family.

-- PUNISHING THE ELDERLY AND THE POOR --

The plan proposes $238 billion in "entitlement reform generated savings at least equal to all proposals made by President Clinton not yet enacted." Social Security would be excluded from these cuts. This estimate is based on early OMB projections of savings that would be generated in Medicare ($124 billion over seven years) and Medicaid ($114 billion over seven years) through the Clinton Administration's comprehensive health reform proposal.

The Agenda includes additional cuts of $50 billion from means-tested programs over five years as part of a Senate Republican effort to "reform welfare." Achieving savings of this size would result in a significant loss of income to most poor families.

An additional $100 billion in unspecified spending cuts is called for to be recommended by a Commission and subject to an up or down vote by Congress. Presumably, these spending cuts would also have to come from entitlement programs, since nondefense discretionary spending is subject to further cuts elsewhere in the plan and defense spending is slated to rise.

TOTAL ENTITLEMENT CUTS IN REPUBLICAN AGENDA
(Five-year savings; $ billions)

Medicare	$124
Medicaid	$114
Welfare "reform"	$ 50
Unspecified	$100
Total	**$388**

Unspecified Cuts Would Come from Health Care

The Senate Republican Plan does not specify any policy for achieving these savings, but they would have to be achieved almost solely through cuts in Medicare and Medicaid. Unlike earlier proposals, the Senate Republican Plan does not provide for comprehensive health reform. The plan would therefore require drastic slashing of Medicare and Medicaid without the protection of broader reform. Several outcomes are likely:

- Millions more Americans would be added to the rolls of the uninsured;

- Individuals and businesses retaining health insurance would be faced with higher premium costs because of the extraordinary increase in the shifting of costs from Medicare to private insurance, and

- States would have to pick up additional billions of dollars in health care costs as they were forced to assume full responsibility for the current Medicaid population.

The Senate Republican Plan includes additional spending to "phase in Republican health reform," but the details of this plan are not specified. Based on earlier health reform proposals made by Senate Republicans, it is likely that such a reform plan would concentrate on tax relief for higher income Americans -- through IRA-type medical savings accounts. This policy, coupled with the massive cuts in federal health care programs, would cause even greater chaos in the medical care marketplace for middle-income and low-income families.

- Senate Republicans claim that they are proposing health program savings similar to that proposed by Clinton Administration. What they don't say is that the entire Clinton Administration health reform plan with its stringent cost containment features and premium caps, establishment of Health Alliances in every State, and transfer of the current Medicaid population into the new system, would need to be enacted to achieve savings of this magnitude.

- Even if all the Medicare cuts proposed as part of the Administration's comprehensive health reform proposal were enacted, without the full reform package, the savings over five years would fall far short of the GOP plan: $67 billion, or less than one-third of the cuts required. Without broad health reform, these Medicare cuts would mean devastating reductions for all hospitals and physicians, increased premiums for Medicare beneficiaries, and cancellation of payments for training of physicians and for medical research.

Is There Another Alternative?

Previous Senate Republican proposals for entitlement cuts have attempted to hide the true impact by proposing undefined "entitlement caps," claiming to limit the growth rate in all entitlement programs to achieve savings.

Nevertheless, as the following table shows, constructing such a formulaic "cap" to achieve the requisite $338 billion in cuts -- including the additional $100 billion in unspecified cuts -- results in even greater impact on health programs. **Almost $300 billion would have to be cut in Medicare and Medicaid.**

The Senate Republicans say they would exempt Social Security. However, the practical impossibility of making such large cuts in Medicare and Medicaid in such a short time makes it clear that the plan's authors would either have to renege on their promise of no Social Security cuts or abandon their plan for deficit reduction. **There is no alternative.**

ILLUSTRATIVE ENTITLEMENT CAP

Cuts Necessary to Achieve $338 Billion Over 5 Years
If a Cap Was Set for All Entitlement Programs

Allowed Growth: Population plus CPI - 1% in 1995, CPI thereafter

	1995	1996	1997	1998	1999	Total
Medicare	11.4	21.5	34.4	49.1	66.8	183.1
Medicaid	6.1	12.7	20.4	30.1	40.3	109.6
Earned Income Tax Credit	1.9	3.6	5.0	5.2	5.4	21.0
Civil Service Retirement	0.6	0.7	1.0	1.2	1.5	5.0
Student Loans	1.8	0.0	0.4	0.7	0.6	3.4
Food Stamps	0.2	0.4	0.7	1.0	1.1	3.3
Unemployment	0.6	0.6	0.6	0.6	0.6	3.0
Railroad Retirement	0.2	0.5	0.4	0.5	0.2	1.7
Foster Care, Adoption Asst.	0.1	0.3	0.3	0.3	0.4	1.4
Military Retirement	0.0	0.0	0.0	0.1	0.9	1.0
Child Nutrition	0.1	0.1	0.2	0.2	0.2	0.8
Farm Price Supports	0.0	0.0	0.0	0.2	0.3	0.5
Supp. Security Income	0.0	0.0	0.0	0.2	0.3	0.5
Veterans Benefits	0.0	0.0	0.0	0.0	0.3	0.3
Housing Assistance	0.0	0.0	0.0	0.0	0.0	0.0
Vocational Rehabilitation	0.0	0.0	0.1	0.0	0.0	0.1
Total	23.0	18.8	29.1	40.1	51.9	331.6

The Results of the Senate Republican Plan

Who would shoulder the burden if the Senate Republican Plan for $338 billion in entitlement cuts was enacted?

- Nearly all Social Security beneficiaries would see their Medicare premiums increase. Middle- and higher-income beneficiaries could see as much as a tripling of the monthly deduction from their Social Security checks.

- At the same time, these same Social Security beneficiaries will be paying more out-of-pocket for their medical care. Deductibles and co-payments for Medicare-covered services will increase and go up every year. New charges would probably be imposed for some health services, such as home health care and laboratory services.

- As Medicare payments to medical care providers are slashed, many Social Security beneficiaries will find that the doctors they know and trust will no longer provide services under Medicare. The quality of the care they receive from hospitals, nursing homes, and home health agencies could also drastically deteriorate.

- It is likely that the massive reductions in Medicare and Medicaid payments to hospitals that would result from such a plan would also mean that many more hospitals would close, making it much more difficult for Americans of all ages to obtain needed medical care. This outcome is particularly likely in rural areas of the country.

- All citizens would be faced with higher and higher premiums for private health insurance -- a hidden tax increase. The history of previous cuts in federal health programs has been a massive shifting of costs from these programs to all private payers.

- Many States will surely decide to continue subsidizing at least some of the cost of health care for the poor. Every taxpayer in these States will pay massively more as the federal participation in Medicaid diminishes or even disappears.

- If an entitlement cap were enacted, the Republican plan would cut programs for poor and low-income working families by $188.6 billion.

– SLIGHTING INVESTMENT IN THE FUTURE –

The Republican plan freezes nondefense discretionary spending for five years and cuts another $5 billion from the recently enacted Crime bill. These proposals lower domestic appropriations by at least $100 billion over the next five years.

Under this plan, nondefense spending as a fraction of the economy declines from 3.9 percent in 1995 to 3.2 percent in the year 2000. This represents a 40 percent decline from its peak in 1980, when nondefense spending made up 5.4 percent of GDP.

These sharp reductions in domestic appropriations will severely reduce Federal investments in education, training, research and development and infrastructure, and curtail many other essential activities. States and localities will be forced to cover the costs of many of these programs, particularly those mandated by the Federal Government.

Examples of the impact of a five-year discretionary freeze include:

- **NASA's space programs** would be slashed by $5.9 billion, undermining current initiatives concerning science and environmental research, aerospace technology, space shuttle activities and planet exploration.
- **National Science Foundation programs** would decline by $1.3 billion over the next five years, jeopardizing initiatives concerning basic science research performed at our Nation's universities. This research contributes directly to strengthening the scientific and technological work force.
- A freeze in discretionary spending would cut the **Department of Energy's conservation programs** by $300 million over the next five years. This would undermine current initiatives to promote and develop with industry new technologies geared toward making the U.S. more energy efficient and increasing the use of renewable energy sources.
- A freeze would cut funding for the **Environmental Protection Agency** by $3.1 billion over the next five years. This cut would undermine current efforts to help small communities in complying with the Safe Water Drinking Act, control non-source pollution, provide loans to municipalities for construction projects to address water quality problems, and also enforcement activities associated with the Clean Air Act and cleanup efforts relating to the Superfund program.
- A freeze would cut funding for programs administered by the **National Park Service, the Fish and Wildlife Service, the Forest Service and the Bureau of**

Land Management by $3 billion over the next five years. This cut would undermine current initiatives to protect and rehabilitate the nation's public lands and parks.

- **Head Start** would receive nearly $1 billion less over the next five years. This program, which helps preschoolers from low-income families develop at their highest potential, has been targeted for significant increases in recent years to reach more eligible children. The conference report on the Labor, HHS Appropriations bill includes $210 million, a 6 percent increase, over last year's level.

- **Chapter 1**, which provides funding for compensatory education programs for children from disadvantaged backgrounds, would receive $1.8 billion less under a freeze than if its funding kept up with inflation. This would make it difficult to fund any new initiatives under consideration in the Elementary and Secondary Education Act reauthorization legislation that is currently in conference.

- **State grants for special education** that provide education for disabled children would be reduced by $819 million if a freeze were enacted.

- **Funding to keep drugs out of the schools** would be reduced by $133 million under a freeze. This was another program targeted for a major increase by President Clinton. Many organizations, including the Children's Defense Fund in its 1994 "Yearbook" and the University of Michigan, in "Monitoring the Future" have cited the need to end crime and drug abuse in our schools.

- Under a freeze scenario, **Pell Grants** would receive $1.8 billion less over five years to provide grants to help lower-income students obtain a higher education. This would mean either that fewer students would receive grants, or the total amount of the grants would have to be reduced.

- **The Supplemental Feeding program for Women, Infants and Children (WIC)**, would receive nearly $2.9 billion, or 14 percent less than full funding if a freeze were imposed. Efforts have been underway to make this program available to all women and children who qualify by 1996. WIC has been successful in reducing the risk of infant mortality and increasing the birthweight of babies whose mothers participate in the program. WIC also reduces iron-deficiency anemia among participating infants and children.

- **A five-year freeze on housing programs** would jeopardize the renewal of subsidized housing contracts. This means that two million low and moderate-income households, including hundreds of thousands of elderly households, would risk losing their rent subsidies and facing substantially higher rent payments.

- A five-year freeze would seriously reduce the budget for the Census Bureau, virtually ensuring the delay or cancellation of the constitutionally mandated 2000 decennial Census.

The "Republican Contract with America" imposed a freeze on all law enforcement programs coupled with a $5 billion cut in so called "pork barrel" spending in the crime bill. The combined effect of these proposals would be disastrous to our national effort to fight crime. At a time when the public outcry for safer streets and neighborhoods is deafening it is ironic that the Republicans would propose a plan that would effectively negate any positive gains made by the passage of the crime bill.

- The **FBI** would lose more than $400 million over the next five years due to the freeze. This loss in funding would severely weaken the bureau's effectiveness. More than 4,000 positions could be lost as a result.

- The **DEA** would lose more than $140 million and become severely handicapped in its drug enforcement efforts. More than 1,400 positions could be lost.

- **The Federal Prison System** would lose more than $350 million. This loss in funding would make it impossible to operate both the existing prisons and those proposed to be built because of the crime bill.

- The **Federal Courts** would lose more than $400 million. This would cripple an already backlogged judicial system and bring the administration of justice to a halt.

The freeze on nondefense discretionary spending would also cripple our nation's vital transportation infrastructure. Our nation's transportation infrastructure is what separates us from many nations around the world. By making the transport of goods and services, safe and economical, our transportation infrastructure helps keep our country competitive in a world economy.

- The **Federal Railroad Administration** would lose more than $10 million in funding dedicated to railroad safety. While this is a relatively small dollar amount, with the number of recent fatalities due to railroad accidents, it is very significant in our efforts to maintain and improve railroad safety. We can ill afford such a cut in funding at such a crucial time in railroad safety.

- The **Federal Transit Administration** would lose more than $180 million in funding for the construction of new and maintenance and operation of older transit systems. This would hurt our transit systems nationwide at a time when older systems are crumbling and mass transportation is needed more and more as a means for cities to meet clear air standards.

- Funding for **Community Development Block Grants** given to local governments and States for local development projects would be cut by $2.1 billion over five years. These cuts would seriously undermine current initiatives that encourage private investment in the economic and physical revitalization of distressed urban neighborhoods.

- **Economic Development Assistance (EDA)** directs over 40 percent of its funding to defense economic conversion. A five-year freeze would cut $188 million. With the recent emphasis on military downsizing, this funding is vital in making the transition to a peace time economy.

- At a time when we have been bombarded with **natural disasters**, relief programs would be cut by $2.7 billion. These funds which provide loans to individuals and businesses as well as grants to State and local governments are crucial to rebuilding devastated communities.

- A five year discretionary freeze would cut funding for the **Internal Revenue Service (IRS)** by $4.8 billion. This would kill the IRS compliance initiative which would reduce the federal deficit by generating revenue without raising taxes. Other initiatives enabling the IRS to respond to taxpayer inquiries more quickly and improve the effectiveness of its enforcement activities would also be curtailed.

- A reduction in **General Services Administration** funding would undermine the GSA's lease conversion program. The savings that would have been generated by retiring costly leases would be foregone.

- If the level of funding for operations of the **Veterans medical system** was frozen over the next five years, it could result in a loss of as many as 65,000 nurses, doctors and other medical personnel in the system by the year 2000. Total funding over the five-year period would be more than $6 billion less than would be required even to maintain the current system without any improvements.

VOODOO II: DEEPENING THE FISCAL CRISIS OF THE FUTURE

The number one priority of the Senate Republican "Contract with America" is a balanced budget by the year 2003. Ironically, the plan makes virtually no progress toward that goal, and deepens the fiscal crisis for the future. **Under the Republican Agenda, deficits rise from a projected $202 billion in 1994 to $243 billion by the year 2000.**

According to the Congressional Budget Office, deficits will nearly double over the next ten years from $202 billion in 1994 to nearly $400 billion by the year 2004. This plan claims to make a deficit down payment of $257 billion. However, while the cumulative savings in the plan may reach $257 billion -- relative to CBO's projected deficits -- the reduction in the deficit for the year 2000 is a mere $14 billion. That meager cut fails to offset the projected $55 billion increase in deficits between 1994 and the year 2000 and makes no progress toward a balanced budget.

- The $257 billion is a cumulative "baseline budgeting" figure that measures savings from projected deficits rather than against this year's deficit of $202 billion. According to CBO, the cumulative savings required to achieve balanced by 2003 total $1.5 trillion. Therefore, even on a comparable basis the plan falls $1.2 trillion short of balance.

- The cuts in this plan are consumed by tax giveaways for the affluent in a cynical attempt to buy votes. By the fifth year, $96 billion in cuts cover $82 billion in tax giveaways, leaving a mere $14 billion to reduce projected deficits. This instant replay of voodoo economics has an all too familiar ending: huge and growing deficits as far as the eye can see.

- Two tax cut proposals in the Republican agenda result in hidden outyear costs.

  -- The IRA-Plus accounts show a temporary savings from tax revenues from one-time transfers of money from existing to new IRA accounts. However, within four years the loss of tax revenue on interest income adds billions each year to projected outyear deficits.

  -- Like the IRA-Plus proposal, indexing taxes on assets for inflation will cause outyear losses to grow larger beyond the five-year budget window.

More Smoke and Mirrors

The plan calls for spending reductions in excess of $400 billion but fails to mention which programs will be cut. Nearly one fourth of the reductions are relegated to an unnamed, nonexistent "Commission."

This plan is an example of the kind of irresponsible Republican budgeting that led to the explosion in government deficits and debt in the 1980's - Voodoo II. The lineage is clear...

- David Stockman's "magic asterisk" in the 1981 budget required $160 billion in "savings to be achieved later." (Later never came.)
- During the 1988 presidential campaign, candidate Bush proposed to balance the budget with a "flexible freeze." The freeze cut spending by $464 billion without effecting even one program. No pain, no gain, is the sad ending to that story. (Deficits continued to rise.)
- Other budget gimmicks employed by the Republicans included overly optimistic economic assumptions, fire sales of government assets, and a menu of accounting gimmicks that would impress the IRS. These Republican deceptions quadrupled government debt and deficits in just 12 years.

In contrast, last year's historical deficit reduction achieved real spending cuts and real reductions in the deficit based on honest numbers and specific program cuts. The 1994 deficit is expected to fall to $200 billion, the lowest level in five years. For the first time in more than a decade, government debt as a percentage of GDP has stabilized.

The Well Is Dry

The Republican agenda goes to the well for spending cuts, and drains it dry to provide tax cuts for the affluent. Entitlement programs, particularly Medicare and Medicaid, are cut to the bone. Spending for nondefense appropriations is reduced to its lowest point as a share of the economy. Programs that invest in research, education, and infrastructure are stripped from the budget. The coffers of States and localities strain under the Federal burden left on their doorsteps.

One could construct an argument for these draconian cuts if the result was a balanced budget. But in truth, deficits remain close to $300 billion and rising, as far as the eye can see. The poor and the elderly pay a heavy price for the comfort of a few affluent Americans -- most of whom would have gladly foregone these benefits for a balanced budget and a stronger economy. Once again, Republicans attempt to deceive voters with promises they cannot keep.

REPUBLICAN AGENDA WORSENS DEFICIT BY YEAR 2000

($ billions)

CBO DEFICIT PROJECTION FOR 1994	**202**
DEFICIT SPENDING IN FY 2000	**82**
Double the dependent exemption	25
Phase in Republican health care reform	30
Reduce tax rate on capital gains	6
Index taxes on assets for inflation	3
Enact IRA-Plus bill	5
Repeal tax hike on Social Security benefits	5
Ease Social Security earnings test	3
Increase defense by $20 billion	6
DEFICIT CUTS IN FY 2000	**-96**
Repeal $5 billion from Crime bill	-1
Welfare reform	-10
Spending cuts	-52
Nondefense discretionary freeze	-33
NET CHANGES IN REPUBLICAN AGENDA	**-14**
CBO projected deficit increases not addressed in Republican Agenda	55
NET CHANGES IN DEFICIT BY THE YEAR 2000	**41**
REPUBLICAN DEFICIT IN 2000	**243**

DEPARTMENT OF THE TREASURY
OFFICE OF
INTERNATIONAL TAX COUNSEL

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ings to approve these treaties for ratification this year, the National Foreign Trade Council urged the committee in a letter Sept. 13.

Treasury recently concluded treaty agreements with Canada, Sweden, France, Portugal, Ukraine, Kazakhstan, and a protocol with Mexico (168 DTR G-3, 9/1/94).

The Foreign Relations Committee has not yet scheduled a hearing date because it has not received those treaties from the department, a committee aide said Sept. 13. The committee hopes to hold a hearing in late September, the aide said. A Treasury official said the department is busy preparing technical explanations to the treaties.

Although ratification of all the treaties is being anxiously awaited by U.S. businesses, the protocol with Canada is of particular importance to most of them, according to the NFTC letter, signed by Robert Green, vice president of tax policy. The letter was addressed to Sen. Paul Sarbanes (D-Md).

Most U.S. companies have substantial investment and business activity in Canada, the letter said, adding, "negotiation of a protocol to the existing U.S.-Canada tax treaty was identified by the NFTC membership as the single highest priority this year in the international tax area."

NFTC is an association of over 500 U.S. companies involved in all aspects of international trade and investment. The council represents a broad spectrum of industrial, commercial, financial, and service activities.□

Social Security

WAYS-MEANS PANEL SETS SEPT. 27 HEARING ON SOCIAL SECURITY SOLVENCY PROPOSALS

The House Ways and Means Social Security Subcommittee will hold a hearing Sept. 27 on proposals designed to restore the long-range solvency of the Social Security trust funds, Subcommittee Chairman Andrew Jacobs (D-Ind) announced Sept. 13.

The 1994 Report of the Board of Trustees of the Federal Old-Age, Survivors and Disability Insurance Trust Fund warned that while the OASDI trust fund met the 10-year, short-range solvency test, it failed the 75-year test, and under intermediate assumptions, the trust fund was predicted to become insolvent in 2029, the subcommittee noted in a press release.

The hearing will consider bills that have been introduced to bring the Social Security system into long-range balance, proposing such changes as adjusting the benefit formula for average and high-income workers, accelerating the increase in the retirement age scheduled under current law, making various changes in the cost-of-living adjustment, and covering new workers, subjecting a larger portion of benefits to income taxes, and increasing the payroll tax rate once the baby boom generation retires.

The bills include HR 4245 by Rep. Dan Rostenkowski (D-Ill), former chairman of the Ways and Means Committee; HR 4275, by Ways and Means member J.J. Pickle (D-Texas); and HR 4372 and HR 4373, by Reps. Timothy Penny (D-Minn) and Marjorie Margolies-Mezvinsky (D-Pa).

Other proposals that aim to retain basic features and protections of the current Social Security program also have been introduced. The subcommittee urged witnesses to comment on specific provisions of these bills or other options for improving Social Security solvency without eliminating its broad protections for workers at all income levels.

The hearing will begin at 1 p.m. in room B-318 of the Rayburn House Office Building.

Requests to testify should be telephoned by Sept. 20 to Harriett Lawler, Diane Kirkland, or Karen Ponzurick at (202) 225-1721. These should be followed by a formal written request to Janice Mays, Chief Counsel and Staff Director, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515.□

Tax Policy

REPUBLICAN LEADERS CONCEDE GOP MAJORITY MAY NOT BE ABLE TO PASS HOUSE GOP AGENDA

House Republican leaders Sept. 13 acknowledged they could not guarantee passage, even with a GOP majority in the House, of any of the measures to be included the "Contract with America" list of top GOP initiatives, including a package of tax cuts.

House Republican Whip Newt Gingrich (Ga) told a press briefing he could not promise that a Republican-controlled House would adopt the GOP's package of legislative priorities because he was unsure how wide Republicans' margin of control would be next Congress.

Nevertheless, the Republican "contract" is significant because it promises House votes on a number of key measures on which the current House leadership has prevented votes for years, Gingrich said.

The plan promises House votes on 10 Republican initiatives, including several tax cut measures, within 100 days of the next Congress if Republicans take control of the House.

"The 'contract' puts in writing what our candidates stand for, what they will do individually, and what a House Republican majority will accomplish when entrusted with power from the people to act on their behalf," a Republican National Committee release said.

Gingrich added the plan would make clear to voters the Republican positions on numerous key issues, since the full legislative language of each of the 10 initiatives will be released when Republicans formally unveil the contract.

The contract is set to be unveiled at a Sept. 27 ceremony on the steps of the U.S. Capitol, during which more than 300 Republican House candidates and Republican incumbents will sign the document.

Senate Republicans tentatively are set to announce a similar plan Sept. 21, RNC Chairman Haley Barbour told the briefing.

Tax Cuts To Be 'Fully Funded'

Among the 10 legislative initiatives in the "contract" is a package of middle-class and investment tax cuts.

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House Republican Conference Chairman Dick Armey (Texas) said the tax cuts would be "fully funded" through a series of spending cuts, similar to those used in the GOP's last budget alternative.

A House aide told BNA one of the provisions — a $500 per child tax credit — probably would lose between $100 billion and $150 billion over five years.

In addition to the per child tax credit, the contract calls for the elimination of the "marriage penalty," a reduction in the taxable portion of Social Security benefits, a cut in capital gains taxes, and an increase in the Social Security earnings limit for elderly workers (175 DTR G-4, 9/13/94).

Armey, who is the author of a flat-tax proposal, said he did not plan to include that proposal on the list of 'contract' agenda items.

Armey told BNA his plan marked a "complete frontal assault" on the tax code that would require more than 100 days to approve.

Deficit Neutral Tax Cut Would Be 'Non-Event'

Separately, Federal Reserve Vice Chairman Alan Blinder Sept. 13 told BNA that any tax cut offset either by increased taxes elsewhere in the tax code or by spending cuts would be a "macroeconomic non-event."

"A tax cut like that is boosting aggregate demand with one hand and contracting aggregate demand with the other," Blinder explained. "And so, while there may be many considerations pro and con, from a macroeconomic point of view — which is what I would take here in my current job — it's a non-event."

On the other hand, a substantial tax cut that has not been "paid for" in budget parlance is enacted, that would both provide significant macroeconomic stimulus and would do harm to the deficit reduction package enacted a year ago. "I would think that a bad idea," the Fed vice chairman said. "But I don't believe that latter is what anybody is talking about."

Meanwhile, Laura D'Andrea Tyson, President Clinton's top economic adviser, Sept. 13 said that as the administration begins discussion on the fiscal 1996 budget it will look at a range of issues, including a "potential" middle-class tax cut.

But Tyson added that in any issue, her inclination will be to look at the problem being addressed—whether it is a proposal to increase savings or provide tax relief related to children—and ask if the tax code is the best possible way to deal with the problem.

Tyson, chair of the Council of Economic Advisers, ruled out a value-added tax or a consumption tax on energy as a means of paying for a tax cut.

"Those things are not under any active discussion," she said in response to a reporter's question.

The CEA chair spoke with reporters after a speech to an Washington economic policy seminar sponsored by Laurence H. Meyer & Associates, St. Louis.

She made the point that since the administration is committed to deficit reduction, any proposals "in spending or the tax area" will need to be "consistent" with the 1994-98 budget plan and long-term deficit reduction.

In her remarks to the seminar, asked if there is any discussion in the administration on the need for a more contractionary fiscal policy, which would take the pressure off the Federal Reserve, Tyson said she did not see anything to indicate a change in the short-term fiscal stance.

The Federal Reserve has raised short-term interest rates five times this year in an effort to stave off inflation as the economy has picked up strength. □

ax Policy

HOUSE GOP READIES TAX CUT PLAN FOR 1995, AS DOLE RULES OUT MIDDLE-CLASS CUT IN 1994

The House Republican leadership is soon expected to unveil their top legislative priorities for the first 100 days of the next Congress, which will include a $500 per child tax credit, a reduction in the tax burden for married couples, and repeal of the 1993 budget act's hike in Social Security taxes.

Word of the tax cut plan came a day after Senate Republican Leader Bob Dole (Kansas) said any middle class tax cut "ought to wait until after the election."

"I think it's maybe a good idea, but let's wait until after this election. We're not going to enact it before the election," Dole said Sept. 11 on CBS' "Face the Nation" program.

Senate Majority Leader George Mitchell (D-Maine), appearing on the same program, agreed any middle class tax cut would not be enacted until next year.

Meanwhile, House Republican leaders met Sept. 12 to work on their "Contract with America" plan, which Republican House candidates plan to unveil and pledge to support in a Sept. 27 ceremony on the Capitol steps.

The plan, which is not yet complete, will list a package of legislative proposals on which Republicans will promise action within the first 100 days of the 104th Congress, beginning in 1995, if they win control of the House.

The plan is in two parts, with the first part listing a ries of reforms to House rules that could be made on the first day of the new Congress, and the second listing legislative proposals on which Republicans would guarantee action within 100 days.

Foremost among those legislative priorities are a series of tax cut measures, including a $500 per child tax credit funded through various spending cut proposals.

The level of that cut, however, could increase to match or exceed any middle-class tax cut proposal President Clinton decides to offer, one House aide suggested.

Other tax cut measures include eliminating the current tax code's "marriage penalty," which refers to the higher tax burden imposed on most married tax filers.

The plan would raise the threshold for married filers at which higher tax rates apply and would increase the size of the standard deduction for married filers to match the level for single filers, a House aide told BNA.

In addition, the plan will scale back a provision in last year's budget law increasing the proportion of Social Security benefits subject to taxation.

The plan will reduce the taxable proportion of benefits from its current level of 85 percent of benefits to its previous level of 50 percent, the aide told BNA.

The plan also is likely to include a proposal to index capital gains realized on the disposition of securities.

While the plan will suggest some sources for funding those tax cuts, it will not be in the form of a fully funded, comprehensive package.

"The contract is designed to show the American public there is a difference between the visions of the two parties, to show what we are going to accomplish," another House Republican aide told BNA, stressing the plan would not feature the same level of detail included in the annual Republican budget alternative.

Other legislative priorities likely to be included in the plan include welfare reform, term limits for members of Congress, additional crime measures, regulatory reforms, and "common sense" legal reforms, the aide said.

Regarding the reforms to House rules, which would require only a majority of the House members to adopt, the plan calls for cutting the sizes of committee staffs in half, guaranteeing more open rules for the consideration floor amendments to legislation, and rotating committee chairmenships.

TO: GENE
FROM: BETH
DATE: SEPTEMBER 12, 1994

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Please find enclosed two research documents for September 27. Remember, these are rough drafts and will have a variety of uses as the date draws near:

Document #1:

"The Real Republican Contract"

- ♦ This Document outlines the Republicans' hidden agenda. This document includes a short description of the initiative and the percentage of Republicans opposing the initiative.

Document #2:

"The Real Republican Record"

- ♦ This document, still in very rough form, represents a legislative history of the current Republican leadership since 1981. The history focuses primarily on the 10 points outlined on the first page.

- ♦ I plan to change the nature of the document in the following ways:

  ** Editing out some of the votes which are not as relevant;
  ** Summarizing, at the beginning of each section, on one page the highlights of each section;
  ** Reconfirming with some third party groups the relevance of some of the votes;
  ** Creating a new document which changes the focus to individual members of the leadership and their record on the issues.

Eric has made some interesting points, including that, despite what we may think, Republicans are not as creative as they think -- a majority of the September 27 proposals are already being debated and in some cases, Republicans may have actually opposed these initiatives in votes cast in previous years. As this solidifies, we will keep you posted.

DRAFT # 4, 9/11/94, 4:00 p.m.

"THE REAL REPUBLICAN CONTRACT" -- VISUAL

1.) **TAX CUTS FOR THE WEALTHY...**
HR 2434, "Putting Jobs and the American Family First Act"
45% of House Republicans cosponsored Rod Grams bill which called for a cut in the capital gains tax rate to 15% (78 of 174).

1992 Republican Platform called for a cut in the capital gains tax rate to 15% -- zero in enterprise zones -- and index it for inflation.

2.) **...WHILE OPPOSING TAX BREAKS FOR WORKING FAMILIES (EITC)**
HR 2264, Vote # 198, Kasich Amendment (FY 1994 Budget), May 27, 1993. This budget would have eliminated the expansion of the Earned Income Tax Credit. 70% of House Republicans voted for this measure (132 of 172).

HR 2264, Vote # 406, Budget Reconciliation, August 5, 1993. This budget included an expansion of the Earned Income Tax Credit. 100% of House Republicans voted against this measure (175 of 175).

3.) **GUTTING MEDICARE**
HR 3400, Vote # 609, Penny-Kasich Amendment, Nov. 22, 1993. 89% of House Republicans (156 of 174) voted for this amendment which would have cut Medicare by over $34.2 billion.

HR 2264, Vote # 198, Kasich Amendment (FY 1994 Budget), May 27, 1993. 70% of House Republicans (132 of 172) voted for this measure which would have cut Medicare by .

H Con Res 218, Vote # 2055, Kasich Amendment (FY 1995 Budget), March 11, 1994. 94% of House Republicans (158 of 167) voted for this measure which would have cut Medicare by $45 billion.

4.) **CUTTING SOCIAL SECURITY (BBA Amendment)**
HJ Res 103, Vote # 65, March 17, 1994. Under a constitutionally balanced budget, 99?% of House Republicans (171 of 172) voted to keep Social Security on budget. This would cause a 12% reduction in monthly checks for Social Security recipients ($1,081 per year) on average.

5.) **OPPOSITION TO FAMILY & MEDICAL LEAVE**
HR 1, Vote # 22, Family & Medical Leave Act, Feb. 3, 1993. 77% of House Republicans voted against this measure (134 of 174).

6.) **CUTTING COLLEGE LOANS FOR MIDDLE CLASS FAMILIES**
HR 2264, Vote # 198, Kasich Amendment (FY 1994 Budget), May 27, 1993. 70% of House Republicans voted for this measure (132 of 172).

7.) **CUTTING AGRICULTURE PROGRAMS**
HR 2493, Vote # 301, Myers amendment, Fiscal 1994 Agriculture Appropriations/Funding Cuts, June 29, 1993. 88% of House Republicans voted for this measure (152 of 171).

HR 3400, Vote # 609, Penny-Kasich Amendment, Nov. 22, 1993. 89% of House Republicans voted for this amendment (156 of 174).

8.) **CUTTING VETERANS PROGRAMS**
HR 3400, Vote # 609, Penny-Kasich Amendment, Nov. 22, 1993. 89% of House Republicans voted for this amendment (156 of 174).

9.) **OPPOSITION TO NATIONAL SERVICE**
HR 2010, Vote # 379, National Service Passage, July 28, 1993. 85% of House Republicans voted against this measure (147 of 173).

10.) **OPPOSITION TO THE BRADY BILL**
HR 1025, Vote # 614, Brady Bill Conference Report, Nov. 22, 1993. 67% of House Republicans voted against this measure (116 of 172).

11.) **OPPOSITION TO ASSAULT WEAPONS BAN**
HR 4296, Vote # 156, Public Safety & Recreational Firearms Use Protection Act, May 5, 1994. 78% of House Republicans voted against this measure (137 of 175).

12.) **OPPOSITION TO WORKER TRAINING**
HR 2264, Vote # 198, Kasich Amendment (FY 1994 Budget), May 27, 1993. 70% of House Republicans voted for this measure (132 of 172).

HR 2264, Vote # 406, Budget Reconciliation, August 5, 1993. 100% of House Republicans voted against this measure (175 of 175).

13.) **OPPOSITION TO INCREASED EXPENSING FOR SMALL BUSINESS**
HR 2264, Vote # 198, Kasich Amendment (FY 1994 Budget), May 27, 1993. 70% of House Republicans voted for this measure (132 of 172).

HR 2264, Vote # 406, Budget Reconciliation, August 5, 1993. 100% of House Republicans voted against this measure (175 of 175).

14.) **OPPOSITION TO FLOOD RELIEF**
HR 2667, Vote # 355, Fiscal 1993 Disaster Supplemental Appropriations/Rule. Adoption of the rule (H Res 220) providing consideration of HR 2667 to provide emergency relief for Midwest floods, July 22, 1993. 100% of House Republicans voted against this measure (171 of 171).

15.) **OPPOSITION TO EDUCATION REFORM**
HR 1804, Vote # 86, Goals 2000: Educate America Act, March 23, 1994. 66% of House Republicans (115 of 174) voted against this measure to improve learning and teaching through a national framework for education reform.

16.) **OPPOSITION TO THE CRIME BILL**
HR 3355, Vote # 416, Conference Report on the Crime Bill, August 21, 1994. 74% of House Republicans (131 of 177) voted against this measure which: will put 100,000 new policemen

on the streets, has a "three strikes" provision, adds $9.8 billion in funding for new prisons, and adds 60 crimes subject to the federal death penalty.

DRAFT

"THE REAL REPUBLICAN RECORD" -- VISUAL

1.) TAX CUTS FOR THE WEALTHY...

- The Armey Flat Tax: A 50% Tax Cut for the Wealthy
- Capital Gains Tax Cuts for the Rich @
- Republican Leadership: The Voting Record

2.) ...WHILE OPPOSING TAX BREAKS FOR WORKING FAMILIES

- Republican Leadership: The Voting Record

3.) GUTTING MEDICARE

- Republican Leadership: The Voting Record

4.) CUTTING SOCIAL SECURITY AND JEAPORDIZING THE SECURITY OF THE SYSTEM

- The Gingrich Proposal: Abolish Social Security
- Jeapordizing the Security of the System: Republican Leadership Voting Record

5.) OPPOSITION TO FAMILY & MEDICAL LEAVE

6.) CUTTING COLLEGE LOANS FOR MIDDLE CLASS FAMILIES

7.) CUTTING AGRICULTURE PROGRAMS

- Armey's Plan for America's Family Farmer

8.) OPPOSITION TO WORKER WAGES AND TRAINING

- Armey's Attempt to Repeal the Minimum Wage Law
- Republican Leadership: The Voting Record

9.) OPPOSITION TO EDUCATION REFORM

10.) OPPOSITION TO THE CRIME BILL

- The Charge to Kill the Brady Bill
- The Charge to Kill the Assault Weapons Ban

DRAFT

- **Gridlock -- Republican Leadership: The Voting Record**

1.) TAX CUTS FOR THE WEALTHY...

** THE FLAT TAX PROPOSALS

** THE CAPITAL GAINS TAX CUTS

** VOTES TO CUT TAXES ON THE WEALTHY

TAX FAIRNESS AND TAX CUTS FOR THE WEALTHY....
"The Armey Flat Tax: Supply-Side Snake Oil"

On June 16, 1994, Dick Armey introduced the Freedom and Fairness Restoration Act of 1994. [HR. 4585, 6/16/94]

Under his proposal, Armey would:

** Eliminate the current corporate and personal income taxes and replace them with a "flat-rate 17% national consumption tax;"

** Cost the Country "$320 billion a year" in revenue;

** Cut the income taxes of the richest one percent of American taxpayers by over 50%;

** Basically exempts capital gains and investment income from taxation.

[Robert S. McIntyre, Citizens for Tax Justice; Scripps-Howard newspapers, 7/94]

Citizens for Tax Justice has compared this tax to the value-added tax, although Armey's plan "would give businesses a deduction for wages paid - and assess taxes on wages at the individual level."

CTJ further argues "Of course, that wouldn't matter if the same 17% rate applied to full wages. But although Armey apparently would repeal all current personal income tax deductions and credits, he would exempt from his wage tax the first $12,350 in wages for single people, $21,200 for a single parent with one child, and $34,700 for couples with two children. (Under current tax law, couples with two kids start paying income taxes when they make more than $23,200 in total income.)

"In effect, this feature offers families a rebate against sales tax paid equal to 17% of their wages up to the listed dollar limits. That's still not enough to protect low- and moderate-income working families, who would face large tax hikes due to Armey's implicit repeal of the just-expanded earned-income tax credit. But in total, Armey's wage tax rebates would end up exempting over half of total wages from his new tax, at a revenue cost of about $320 billion a year...

"..Even if Armey's tax applied to all of the income of the rich, they would see their income taxes cut almost in half with his flat rate of 17%. But since Armey taxes only consumption - basically exempting the wealthy's capital gains and other investment income from tax - the rich's tax cut would be much larger."
[Robert S. McIntyre, Citizens for Tax Justice; Scripps-Howard newspapers, 7/94]

This most recent legislation is not Armey's first effort to push a flat tax. In 1985, Armey cosponsored legislation to amend the internal Revenue Code of 1954 to provide a 10 percent tax rate for the individual income tax, to simplify such tax. [HR. 2594, 5/23/85] Gingrich also cosponsored this legislation.

CAPITAL GAINS TAX CUT

The 1992 Republican Platform called for a cut in the Capital gains tax rate of 15% -- zero in enterprise zones -- and index it with inflation.

In addition, the Republican Leadership has consistently cosponsored legislation which would reduce the capital gains tax rate over the past 10 years. Listed below are a few examples and those members who supported the proposals:

** HR. 3130, The Economic Growth Act of 1991. Introduced by Gingrich, July 31, 1991. Cosponsors include: McCollum, Walker, Delay, Armey,

** HR. 2434, Putting Jobs and the American Family First Act of 1993. Introduced by Grams on June 16, 1993. Cosponsors include: Gingrich, Armey, Hyde, Delay, McCollum. Although this proposal would provide for a $500 a child tax credit, the advantages it gives the wealthiest taxpayers through a cut in the capital gains tax far exceeds what an average family would receive in this bill.

REPUBLICAN LEADERSHIP: THE VOTING RECORD

- The Solomon Substitute to the FY 1995 Budget Resolution (CR# 52, 3/10/94) called for an extreme $600 billion in total spending over five years with the hopes of balancing the budget in five years. It cuts would severely damage programs utilized by middle and lower income individuals including: $140 million in Medicare cuts over five years and a 50% cut in all job training programs. This was the more severe of the two Republican substitutes.

A "NO" WAS A VOTE TO PROTECT WORKING FAMILIES AND SENIORS

GINGRICH	N	WALKER	N
ARMEY	Y	HYDE	N
DELAY	Y	MCCOLLUM	N

- The 1993 Budget Resolution (CR# 85, 3/18/93) contained an Earned Income Tax Credit which provided middle and lower income families with much needed tax relief.
Among other programs, working families would be eligible for an Earned Income Tax Credit.

A "YES" WAS A VOTE FOR WORKING FAMILIES AND SENIORS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Kasich Substitute to the 1993 Budget Resolution (CR# 81, 3/18/93) called for reaching $500 billion in deficit reduction over the next 5 years. This deficit reducyion by massively slashing entitlement programs and proposed steep spending cuts. This This proposal called for no tax increases on America's richest individuals

A "NO" WAS A VOTE FOR WORKING FAMILIES AND SENIORS

GINGRICH	Y	WALKER	Y
ARMEY	Y	HYDE	Y
DELAY	Y	MCCOLLUM	Y

- The Kasich Substitute to the FY 1992 Budget Resolution (CR# 70, 4/17/91) was particularly unfair to middle and lower income individuals. The substitute froze domestic discretionary programs at their FY 1990 levels. It also called for a $48.6 billion cut in entitlement programs over the next five years. The Democratic plan called for no cuts in entitlements. It also included many of President Bush's revenue proposals including cuts to the capital gains tax rate and extending the Medicare payroll tax. Those who voted against this plan said it would cut make cuts to education, job training, Head Start, anti-drug abuse programs and homeless assistance.

A "NO" WAS A VOTE TO PROTECT WORKING FAMILIES AND SENIORS

GINGRICH	Y	WALKER	Y
ARMEY	Y	HYDE	N
DELAY	Y	MCCOLLUM	Y

- The 1992 Tax Bill (CR# 31, 2/27/92) took real steps to bring about tax fairness to all Americans. The bills main provisions were a 10% surtax on all millionaires and set a top income tax rate of 35% on all individuals earning for more than $85,000 a year. These tax increases on the wealthiest Americans would go towards paying for a temporary tax credit for working families worth up to $400 a year for couples and $200 a year for individuals.

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A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Republican Substitute to the 1992 Tax Bill (CR# 28, 2/27/92) was a plan to protect the wealthiest Americans from having to pay their fair share of the tax burden. By repealing the surtax on millionaires and removing the provision raising the top tax rate of 35% proposed in the Democratic proposal. It also called for cuts to the capital gains tax rate.

A "NO" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	Y	WALKER	Y
ARMEY	Y	HYDE	Y
DELAY	Y	MCCOLLUM	Y

- The Conference Report of the 1992 Tax Bill (CR# 54, 3/20/92) called for middle class tax relief and tax fairness. The Conference Report created a top tax rate of 36% and also placed a 10% surtax on millionaires. Also created a 20% tax credit against Social Security taxes for middle income individuals and set up a $300-a-child tax credit starting in 1994.

A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The 1992 Tax Bill (CR# 31, 2/27/92) took real steps to bring about tax fairness to all Americans. The bills main provisions were a 10% surtax on all millionaires and set a top income tax rate of 35% on all individuals earning for more than $85,000 a year. These tax increases on the wealthiest Americans would go towards paying for a temporary tax credit for working families worth up to $400 a year for couples and $200 a year for individuals.

A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Rostenkowski Amendment to the FY 1990 Budget Reconciliation (CR# 253, 9/28/89) would have deleted provisions in the bill which would have cut the tax rate on capital gains by 30% through 1991. The amendment would set in place four important provisions:

1) Extend the present 33% tax bracket so as to make it applicable to income above the levels at which the rate currently drops back from 33% to 28%

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2) Expanded eligibility for IRA accounts.

3) Allowed withdrawals from IRAs without penalty to help purchase a home or meet college expenses.

4) Accelerated the schedule for deposit of payroll taxes by certain large employers. The cut in capital gains tax would be unfair to the average taxpayer; with 80% of the benefits going to taxpayers earning more than $100,000.

A "YES" WAS A VOTE TO AID WORKING FAMILIES AND SENIORS

GINGRICH N	**WALKER N**
ARMEY N	**HYDE N**
DELAY N	**MCCOLLUM N**

- The Republican Substitute to the FY 1990 Budget Reconciliation (CR# 272, 10/5/89) reduced the existing dependent care tax credit and the tax-free status of employer-provided dependent care assistance for families with incomes between $70,000 and $90,000, and eliminated these benefits for families with incomes above this level. The substitute also called for removing all child care provisions and replacing them with a larger Earned Income Tax Credit. However, the original bill's EITC provisions were preferable to those in the substitute because they varied the amount of credit for all families with children, not just families with young children which the substitute had done. Because of the bill's EITC provisions would cost less than the substitute's provisions.

A "NO" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH Y	**WALKER Y**
ARMEY Y	**HYDE Y**
DELAY Y	**MCCOLLUM Y**

- The FY 1990 Budget Reconciliation (CR# 274, 10/5/89) called for revenue increases but also granted a $2.9 billion from a capital gains tax cut. The cut would only really benefit those individuals making over $100,000 while placing the tax share burden on the middle and lower income individuals. Many who opposed the bill pointed out that the capital gains tax cut would actually increase the deficit by $5 billion a year, beginning in 1993.

A "NO" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH Y	**WALKER Y**
ARMEY Y	**HYDE Y**
DELAY N	**MCCOLLUM ?**

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- The Kasich Substitute to the FY 1992 Budget Resolution (CR# 70, 4/17/91) was particularly unfair to middle and lower income individuals. The substitute froze domestic discretionary programs at their FY 1990 levels. It also called for a $48.6 billion cut in entitlement programs over the next five years. The Democratic plan called for no cuts in entitlements. It also included many of President Bush's revenue proposals including cuts to the capital gains tax rate and extending the Medicare payroll tax. Those who voted against this plan said it would cut make cuts to education, job training, Head Start, anti-drug abuse programs and homeless assistance.

A "NO" WAS A VOTE TO PROTECT WORKING FAMILIES AND SENIORS

GINGRICH	**Y**	**WALKER**	**Y**
ARMEY	**Y**	**HYDE**	**N**
DELAY	**Y**	**MCCOLLUM**	**Y**

- The Early Childhood Development Act (CR#60, 3/27/90) contained a provision to extend the Earned Income Tax Credit and adjust it for family size to help working families obtain child care. It also called for using tax dollars to fund tested and proven programs such as Head Start and other school programs. It also assured working parents that they could obtain safe child care throughout the day in the same location for all their children.

A "YES" WAS A VOTE FOR WORKING CLASS SENIORS AND FAMILIES

GINGRICH	**N**	**WALKER**	**N**
ARMEY	**N**	**HYDE**	**N**
DELAY	**N**	**MCCOLLUM**	**N**

- The Democratic Alternative to the Omnibus Reconciliation Act (CR# 474, 10/16/90) took four steps towards tax fairness between all income levels:

1) It reduced the proposed increases in Medicare provisions of the committee reported bill.
2) Completely dropped several revenue-increasing provisions from the bill (including a gas tax increase, a new tax on petroleum fuels and extension of the Medicaid payroll tax).

3) Added several new tax provisions designed to raise revenue in a more progressive manner (in including elimination of the tax rate "bubble", creation of a new 10% surtax on income over $1 million).

4) Provided a new limited tax break for capital gains (allowing taxpayers to exclude from their income 50% of up to $200,000 in lifetime capital gains and also exclude the first $1,000 in gains each year.

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A "YES" WAS A VOTE TO PROTECT WORKING FAMILIES AND SENIORS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Conference Report of the Omnibus Budget Reconciliation (CR# 528, 10/27/90) included the provisions in the Democratic Alternative. It expanded tax credits for low-income working families with children and strengthened regulation of "medigap" health insurance policies. Roughly 80% of the tax burden fell on those with the highest incomes.

A "YES" WAS A VOTE TO AID MIDDLE/LOWER INCOME FAMILIES

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Michel Amendment to the FY 1988 Budget Reconciliation (CR# 391, 10/29/87) deleted most of the revenue raising provisions from the bill. The only ones left were provisions closing an estate tax loophole involving ESOP's, certain payroll tax measures, a Customer Service user fee provision, and technical corrections to the 1986 Tax Reform Act. The committee reported plan would meet the full $23 billion target (including the anticipated appropriations savings). The revenue increases in the bill would be produced through tax reform measures that would neither raise taxes on ordinary citizens nor retard economic growth.

A "NO" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	Y	WALKER	Y
ARMEY	Y	HYDE	Y
DELAY	Y	MCCOLLUM	Y

DRAFT

- The FY 1988 Budget Reconciliation (CR# 392, 10/29/87) provisions on revenue increases were produced largely through extending certain tax reforms. The outlay reductions came largely through extending certain expiring tax provisions and through a series of business tax reforms and therefore did not place any additional tax burden on lower and middle income individuals.

A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- Although the FY 1987 Budget Resolution (CR# 128, 5/15/86) reduced spending overall, it did allow increases in key areas such as education, job training, agricultural credit, maternal and child health, and drug enforcement.

A "YES" WAS A VOTE WORKING FAMILIES AND SENIORS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Omnibus Budget Reconciliation Act (CR# 487, 10/17/86) limited the increase in the Medicare hospital deductible and made other changes in the program. It repealed the 3% threshold for payment of Social Security cost-of-living adjustments and allowed states to extend medicare coverage to certain additional groups of low-income children, pregnant women, and elderly and disabled persons.

A "YES" WAS A VOTE FOR EXTENDED HEALTH INSURANCE TO SENIORS AND WORKING FAMILIES

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	Y
DELAY	N	MCCOLLUM	Y

- The Downey Amendment to the Superfund Reauthorization for FY 1986-1990 would raise about $10 billion a year for the Superfund over the next five years by increasing taxes on oil and certain chemicals and by increasing general revenues. The substitute eliminated the bill's across-the-board excise tax on manufacturers because it was viewed as a value-added tax and was inequitable, regressive and could easily be expanded. By taxing oil and chemicals would make companies who are most often responsible for Superfund disasters pay for clean-ups. Oil and Chemical companies had enjoyed large tax breaks in the past.

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A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	WALKER	Y
ARMEY	N	HYDE	Y
DELAY	N	MCCOLLUM	N

- The Democratic Substitute to the "Gramm-Rudman" Deficit Control Measure (CR# 386, 11/1/85) set deficit limits through a formula which took account of economic conditions and exempted certain low-income and disabled veterans programs.

A "YES" WAS A VOTE TO HELP MIDDLE/LOWER INCOME INDIVIDUALS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	N
DELAY	N	MCCOLLUM	N

- The Republican Substitute to the Tax Reform Act (12/17/85) called for reducing the top corporate tax rate to 33%. It also preserved investment tax credits at a lower rate. It kept the capital gains tax rate at a low 20%.

A "NO" WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	WALKER	N
ARMEY	N	HYDE	Y
DELAY	N	MCCOLLUM	Y

- The 1984 Tax Reform Act (CR# 82, 4/11/84) included numerous provisions including a freeze on tax cuts taking effect in 1984 and subsequent years, measures designed to curb tax shelters and various tax abuses. Those who argued for the bill said that it would reduce the deficit while simplifying the tax code and making it more equitable. The measure was supported by the AFL-CIO, The National Association of Realtors and Citizens for Tax Justice.

A "YES" VOTE WAS A VOTE FORCING THE RICH TO PAY THEIR FAIR SHARE

GINGRICH	Y	MCCOLLUM	N
WALKER	N	HYDE	Y

DRAFT

- The Conference Report on the 1994 Deficit Reduction Act (CR# 272, 6/27/84) included tax provision creating new limits on industrial development bonds, liberalized rules for capital gains, deferral of various scheduled tax reductions, an increase in the liquor tax, and a wide variety of measures to curb loopholes and unwarranted tax shelters. Those for the bill pointed out that the tax provisions could be justified on the basis of improving fairness and closing unwarranted loopholes as well as raising revenues, and that the spending provisions spread the burden of cuts fairly and also included some important improvements in Medicaid and earned income security programs.

A "YES" WAS A VOTE FORCING THE RICH TO PAY THEIR SHARE

GINGRICH	**N**	**MCCOLLUM**	**N**
WALKER	**N**	**HYDE**	**N**

- The Tax Rate Equity Bill (CR# 218, 6/23/83) limited the maximum tax reduction in 1984 to $720 for joint returns, $637 for single taxpayers, and $673 for unmarried heads of households. This bill would promote fairness by reducing somewhat the disproportionate share of the 1981 tax cuts enjoyed by upper income groups, while at the same time raising badly needed revenue from those who most easily afford to pay. The proposed cap would have no effect on 90% of all taxpayers, who would still receive the full amount of the scheduled tax cut.

A "YES" WAS A VOTE FORCING THE RICH TO PAY THEIR FAIR SHARE

GINGRICH	**N**	**MCCOLLUM**	**N**
WALKER	**N**	**HYDE**	**N**

- The Conference Report on the Tax Equality and Fiscal Responsibility Act called for raising taxes by $98.3 billion over fiscal years 1983 through 1985. However, only $19 billion of the $98.3 billion total tax increase resulted from actual new taxes, about $48 billion came from closing special interest loopholes, and the remaining $32 billion came from taxes that were already owed, but not being collected. The tax increases were necessary because supply-side economics had failed to stimulate investment, productivity, or growth as the Reagan Administration promised it would.

A "YES" VOTE WAS A VOTE TO STIMULATE THE ECONOMY

GINGRICH	**N**	**MCCOLLUM**	**Y**
WALKER	**N**	**HYDE**	**Y**

- The Surface Transportation Act of 1983 (CR# 421, 12/6/82) contained a $.05 gasoline tax. The gasoline tax, which had not been increased since 1959, needed adjustment to pay for the rising highway maintenance costs. They argued that funding such projects through the gasoline tax ensures that those who use the system the most will bear the burden of its construction and repair; similarly, they insisted that the increase in truck taxes corrected a long standing inequity created by the trucking industry's failure to pay its fair share of highway costs.

DRAFT

A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH	Y	MCCOLLUM	Y
WALKER	N	HYDE	N

- The Wylie Amendment to the Latta Substitute to the First Budget Resolution for FY 1983 (CR# 111, 5/26/82) would have cut defense outlays in the Latta substitute by $7.5 billion in FY 1983 and directed the Ways and Means Committee to raise $15 billion in FY 1983 luxury taxes. This amendment would have lowered the FY 1983 deficit in the Latta Substitute by $22.5 billion. Those who support the amendment maintain that the increase in luxury taxes would be the best method of financing the increase in defense expenditures since it would eliminate the need for cutting social security and educational programs.

A "YES" WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	MCCOLLUM	N
WALKER	N	HYDE	N

- The Udall Substitute to the Tax Incentive Act (CR# 176, 7/29/81) called for a tax cut to low and middle income individuals; raised the personal exemption, the zero bracket amount (standard deduction), and the earned income tax credit; allowed a marriage penalty deduction of up to $3,000; lowered estate taxes for small businesses and farms; instituted expensing of business assets; cut corporate tax rates for small businesses; and raised revenue by cutting the foreign oil tax credit.

A "YES" WAS A VOTE FOR TAX FAIRNESS

GINGRICH	N	MCCOLLUM	N
WALKER	N	HYDE	N

- The Republican Substitute to the Tax Incentive Act (CR# 177, 7/29/81) gave all sorts gifts to the rich including: A 25% across-the-board cut in all individual tax rates; lowered the maximum tax rate on unearned income from 70% to 50% in one step; reduced the windfall profit tax on new oil; and lowered estate and gift taxes.

A "NO" WAS A VOTE FOR TAX FAIRNESS

GINGRICH	Y	MCCOLLUM	Y
WALKER	Y	HYDE	Y

DRAFT

- The final version of the Economic Recovery Tax Act of 1981 (CR# 179, 8/4/81) set in place Reagan's "trickle-down" economic plan. The plan called for reducing the capital gains tax from 28% to 20%. The plan also included huge tax breaks for large businesses and corporations. This would mean a huge reduction in revenue for various government-supported programs and entitlement.

A "NO" WAS A VOTE FOR TAX FAIRNESS

GINGRICH	Y	MCCOLLUM	Y
WALKER	Y	HYDE	Y

DRAFT

2.) ...WHILE OPPOSING TAX BREAKS FOR WORKING FAMILIES (EITC)

- The 1993 Budget Reconciliation (CR# 406, 8/5/94) did a lot for middle and lower income working families including:

√ Historic deficit reduction. The Democratic Budget plan will reduce the deficit by $496 billion over five years -- the largest deficit reduction in history. The plan called for $496 billion in spending cuts and $245 billion in revenue increases

√ Tax fairness for the middle class. There will be no income tax increase on families making less than $180,000 a year.

√ Tax incentives for small businesses. 90% of small businesses will be eligible for tax incentives for growth and job creation, including a major expansion of expensing.
Some of the provisions of the Reconciliation include: $1.2 billion increase in education and job training; $1.68 billion increase for science and technology; $2.69 billion for roads and bridges and $2.03 billion for housing and urban development.

The Reconciliation also included an Earned Income Tax Credit which would provide 15 million middle and lower income working families and seven million childless middle and lower income workers with up to $2,364 in income tax credit. (U.S. Treasury)

A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS AND WORKING FAMILIES

GINGRICH N	**WALKER N**
ARMEY N	**HYDE N**
DELAY N	**MCCOLLUM N**

- The 1992 Tax Bill (CR# 31, 2/27/92) took real steps to bring about tax fairness to all Americans. The bills main provisions were a 10% surtax on all millionaires and set a top income tax rate of 35% on all individuals earning for more than $85,000 a year. These tax increases on the wealthiest Americans would go towards paying for a temporary tax credit for working families worth up to $400 a year for couples and $200 a year for individuals.

A "YES" VOTE WAS A VOTE FOR TAX FAIRNESS

GINGRICH N	**WALKER N**
ARMEY N	**HYDE N**
DELAY N	**MCCOLLUM N**

- **The Conference Report of the FY 1995 Budget Resolution stuck closely to the guidelines set in the 1993 Budget Reconciliation and the three main goals of tax fairness, investment and deficit reduction.**

A "YES" WAS A VOTE TO SUPPORT WORKING FAMILIES AND SENIORS

GINGRICH N	**WALKER N**
ARMEY N	**HYDE N**
DELAY N	**MCCOLLUM (PAIRED NO)**

DRAFT

3.) GUTTING MEDICARE

1994

- **By supporting the Kasich FY '95 budget substitute (CRV #55, 3/11/94),** the Republican leadership was voting to cut Medicare by $45 billion. Additionally, this budget proposal calls for $30 billion in revenues, gained from 20% coinsurance payments for lab work and home health care. Ironically, this bill also called for $61.1 billion in increased defense spending.

A "YES" VOTE WAS A VOTE TO CUT MEDICARE

ARMEY -	Y	HYDE -	Y
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

- **The Republican leadership supported the Republican substitute to the Budget Control Act of 1994.** The Kasich substitute requires automatic, mandatory cuts in any entitlement program which exceeds spending targets. Medicare and veterans programs would be particularly vulnerable under these restrictions. **(CRV #343, 7/21/94)**

A "YES" VOTE WAS A VOTE TO JEOPARDIZE MEDICARE

ARMEY -	Y	HYDE -	Y
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

1993

- **The entire Republican leadership voted to slash Medicare by $34.2 billion over the course of 5 years by (CRV #609, 11/22/93):**

  √ Enacting means-tested Medicare B payments. Currently, all beneficiaries, regardless of income, only pay for 25% of their monthly insurance premiums. The Penny/Kasich alternative calls for individuals earning over $70,000-$95,000 and couples earning over $90,000-$115,000 to pay 100% of their monthly premiums.

  √ Setting a 20% coinsurance rate for home health care and laboratory procedures.

  √ Establishing a means tested system for hospital deductibles (Medicare A) for high income seniors. For every $5,000 increase in income, hospital payments rise by $221.

A "YES" VOTE WAS A VOTE TO SLASH MEDICARE

ARMEY -	Y	HYDE -	Y
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

DRAFT

- **The Republican leadership voted unanimously for the Kasich FY '94 budget which cut Medicare by 50% and caused seniors to pay $25 million more for their medical care.** Additionally, this budget was faulted for giving the wealthy tax breaks. (CRV #198, 5/27/93; 138-295)

A "YES" VOTE WAS A VOTE TO CUT MEDICARE

ARMEY -	Y	HYDE -	Y
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

- **By supporting an amendment to the FY '93 Budget Resolution, the Republican leadership voted to cut Medicare and Medicaid by $138.4 billion over five years (CRV #38, 3/4/92).**

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	Y	HYDE -	?
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

1991

- **Almost the entire Republican leadership voted for the Kasich amendment to the FY '92 budget (CRV #69, 4/17/91) which would slash Medicare by $27.2 billion over five years.** Under this amendment, discretionary outlays must remain $7.5 billion lower than the cap set in the Budget Enforcement Act of 1990. Entitlement programs would be cut by a total of $48.6 billion over five years.

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	Y	HYDE -	N
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

- **Half of the Republican leadership voted against final passage of the Medicaid Moratorium bill (CRV #407, 11/19/91).** This was a vote to prohibit states from using certain funds to finance their share of Medicaid programs so that the government would match payment. This was a vote against seniors, according to the National Council of Senior Citizens.

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	Y
DELAY -	Y	MCCOLLUM -	N
GINGRICH -	Y	WALKER -	

DRAFT

- The majority of the Republican leadership voted for the Gradison budget substitute which cut Medicare by $25.2 billion over five years and extended the Medicare payroll tax to some state and local employees (CRV #70, 4/17/91).

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	Y	HYDE -	Y
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	Y

1990

- Most Republican leaders voted against the budget resolution that prevented Medicare cuts and provided a cost of living adjustment (COLA) for civil service and military retirees (CRV #436, 10/8/90).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	X	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

DRAFT

- Most Republican leaders voted against a rule that would have allowed for floor consideration of a bill to provide expanded Medicare coverage for long-term home care for the chronically ill elderly, disabled adults, and chronically ill children. The rule failed, thereby killing the bill (CRV# 176, 6/8/88).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	N	WALKER -	N

1987

- The Republican leaders voted against a budget amendment that would have increased Medicaid funding for the elderly poor and cut defense spending (CRV #52, 4/9/87).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- The Republican leadership unanimously voted against the FY '88 reconciliation bill which expanded Medicaid and improved home health care quality standards (CRV #392, 10/29/87).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

DRAFT

- **The Republican leadership voted for the Gramm-Rudman deficit control measure which cut Medicare provider payments by $300 million and administrative costs by $7.5 million.** While Gramm, Rudman, and Hollings insisted that their legislation would not affect Medicare beneficiaries directly, the National Council of Senior Citizens claim that older persons would face higher out of pocket costs and discrimination from health care providers **(CRV #360-361, 11/6/85).**

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY - YY	**HYDE - Y#**
DELAY - YY	**MCCOLLUM - YY**
GINGRICH - YY	**WALKER - YY**

- **Republican leaders voted to recommit the FY '86 budget to Ways and Means with instructions to delete $1 billion in health funding (which included improvements to the Medicare appeals process and preventative care coverage.) (CRV #346, 10/31/85)**

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY - Y	**HYDE - Y**
DELAY - Y	**MCCOLLUM - ?**
GINGRICH - Y	**WALKER - Y**

- **The Republican leadership voted against expanding Medicare benefits and prenatal care for Medicaid mothers (CRV #382, 10/31/85).**

A "YES" VOTE ON CRV #382 AND A "NO" VOTE ON 383 WERE WERE VOTES AGAINST SENIORS

CRV #382

ARMEY - Y	**HYDE - Y**
DELAY - Y	**MCCOLLUM - Y**
GINGRICH - Y	**WALKER - Y**

CRV #383

ARMEY - N	**HYDE - N**
DELAY - N	**MCCOLLUM - N**
GINGRICH - N	**WALKER -N**

DRAFT

- **Republican leaders unanimously voted to freeze Medicare inpatient and outpatient fees without requiring doctors to accept Medicare's reimbursement as payment in full.** According to the National Council of Senior Citizens, the difference between the doctor's bill and Medicare reimbursement would be most likely made up by patients in out of pocket costs. (CRV #86, 4/12/84)

A "YES" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - Y	**MCCOLLUM - Y**
HYDE - Y	**WALKER - Y**

- **Republican leaders voted for the Latta budget substitute which would have cut Medicare benefits, 2/3 of which would not be absorbed by medical providers, but the patients themselves.** This was a vote to keep Reagan-style tax breaks for the wealthy and corporate giants in place. (CRV #121, 5/27/82).

A "YES" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - Y	**MCCOLLUM - Y**
HYDE - Y	**WALKER - Y**

- **Each Republican leader voted against a budget which eliminated proposed Medicare cuts by offsetting expenses with reductions in defense programs. (CRV #110, 5/27/82)**

A "NO" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - N	**MCCOLLUM - N**
HYDE - N	**WALKER - N**

- **Republican leaders unanimously voted for a FY '83 budget which slashed Medicare by $11.52 billion. (CRV #153, 6/22/82)**

A "YES" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - Y	**MCCOLLUM - Y**
HYDE - Y	**WALKER - Y**

DRAFT

1981

DRAFT

4.) CUTTING SOCIAL SECURITY AND JEAPORDIZING THE SYSTEM'S SECURITY

Gingrich's plan to abolish Social Security

In November, 1986, Gingrich proposed replacing the current social security system with mandatory individual retirement accounts. To pay for his system, Gingrich would institute an across-the-board 9% value added tax -- essentially a national sales tax. In order to provide adequate benefits, Gingrich would have to impose an even higher sales tax -- closer to fifteen percent.

Gingrich believes his plan to abolish Social Security would raise incomes, but that would be wiped out by the new sales tax, raising prices across-the-board.

Businesses would suffer immensely, as consumers would cut back purchases because of the new higher prices. Small businesses in particular would be hurt by the resulting drop in sales.

Gingrich says that the FICA tax is unfair because it takes money from workers "before they ever see it." But Gingrich's mandatory IRA's would do the same thing.

A retired person on a fixed income would get no benefit from the elimination of the FICA tax, but would be greatly hurt financially by the new national sales tax.

Gingrich proposes "defining the value added tax as our new Social Security tax" and "keeping the value added tax off budget." But Gingrich has voted several times to put the current social security trust fund on budget.

Another Congressional perk -- mandatory benefits for Congress

Gingrich introduced legislation to provide mandatory Social Security benefits for Members of Congress. He sponsored the bills in 1979, 1981, and 1983, during each of his first three terms in the House of Representatives.

- H.R. 2339 -- Official Title (Caption): A Bill to provide mandatory Social Security coverage for Members of Congress. Introduced February 22, 1979; no co-sponsors; referred to the Committee on Ways and Means.

- H.R. 2638 -- Official Title (Caption): A Bill to provide mandatory Social Security coverage for Members of Congress. Introduced March 19, 1981; no co-sponsors; referred to the Committee on Ways and Means.

- H.R. 1182 -- Official Title (Caption): A Bill to provide mandatory social coverage for Members of Congress. Introduced February 2, 1983; no co-sponsors; referred to the Committee on Ways and Means.

DRAFT

- **The Republican leadership voted to keep Social Security "on budget" in revenue calculations under a constitutionally balanced budget (CRV #65, 3/17/94; CRV #64, 3/17/94).** Under these circumstances, Social Security beneficiaries could expect a 12% reduction in their monthly checks ($1,081 per year), on average.

  [Families USA, "New Report: Balanced Budget Amendment Would Cut More Than $1,000 a Year Out of Social Security Checks," 2/4/94]

A "YES" VOTE ON CRV #65 AND A "NO" VOTE ON CRV #64 WERE VOTES AGAINST SENIORS

CRV #65

ARMEY -	**Y**	**HYDE -**	**Y**
DELAY -	**Y**	**MCCOLLUM -**	**Y**
GINGRICH -	**Y**	**WALKER -**	**Y**

CRV #64

ARMEY -	**N**	**HYDE -**	**N**
DELAY -	**N**	**MCCOLLUM -**	**N**
GINGRICH -	**N**	**WALKER -**	**N**

- **The entire Republican leadership voted against an amendment to the FY '94 budget (CRV #328, 7/14/93) which protects seniors from tax increases by the establishment of a higher threshold for taxing Social Security benefits.**

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	**N**	**HYDE -**	**N**
DELAY -	**N**	**MCCOLLUM -**	**N**
GINGRICH -	**N**	**WALKER -**	**N**

- **Republican leadership co-sponsored and signed a discharge petition for the A to Z Spending Cuts proposal.** According to Zeliff, a sponsor of the bill, entitlement programs such as Social Security and Medicare would be fair game for cuts. [A to Z Fact Sheet, Rep. Zeliff]

SIGNING DISCHARGE PETITION IS BAD FOR SENIORS

ARMEY -	**Y**	**HYDE -**	**Y**
DELAY -	**Y**	**MCCOLLUM -**	**Y**
GINGRICH -	**Y**	**WALKER -**	**Y**

DRAFT

1992

- The entire Republican leadership voted against exempting Social Security from balanced budget deficit calculations (CRV #185, 6/11/92). If the President declares a national emergency and both chambers concur, the balanced budget amendment could be overridden.

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- Several Members of the Republican leadership voted against the reauthorization of the Older Americans Act (CRV #87, 4/9/92). This revised act, among other things, allows individuals between the age of 65 and 69 to earn twice as much income without having their Social Security retirement benefits reduced.

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	Y
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	N

- According to the National Council of Senior Citizens, the Republican leadership voted against the FY '93 Budget Resolution "Plan A" which would reduce spending for the military and shift defense budget funds to domestic programs (CRV #41, 3/5/92).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- All but one Member of the Republican leadership voted for an amendment during the Budget Balanced debate which attacked Social Security by requiring that estimated receipts not increase faster than the previous year's rate of increase unless a specific tax increase is approved by 3/5 Congress (CRV #236, 7/17/90).

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	Y	HYDE -	Y
DELAY -	Y	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	N

DRAFT

- The Republican leadership unanimously opposed a budget reconciliation bill which protected Medicare and Social Security benefits from the President's budget cuts (CRV #475, 10/16/90).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- The Republican leadership voted against the FY '91 Budget Resolution which protected Medicare beneficiaries and put Social Security off-budget for revenue calculations (CRV #89, 5/1/90).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- Most Republican leaders voted against a bill which put Social Security Trust Funds off-budget for Gramm-Rudman-Hollings deficit calculations (CRV #287, 7/31/90).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	Y
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- Half of the Republican leadership voted against over-riding a 1989 Supreme Court decision which allowed employers to discriminate against employees' age in determining level of benefits to be provided. (CRV #407, 10/30/90; 406-17)

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	Y
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	Y	WALKER -	N

DRAFT

1988

- Every Republican leader voted against an amendment which protected Social Security and Medicare from pay-as-you-go defense spending (CRV #91, 5/2/88).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	N
GINGRICH -	N	WALKER -	N

- Most Republican leaders voted against an amendment to the Older Americans Act which authorized $4 million over two years for demonstration projects to assist senior citizens who receive home care (CRV #154, 5/28/87).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	N	WALKER -	N

- Republican leadership voted to slash $108 million from the Older Americans Act reauthorization in FY '88, thereby limiting home support services, free meal deliveries, and education about accessing federal support agencies (CRV #152, 5/28/87)

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	N	WALKER -	N

- Republican leaders accounted for 2 of the mere 7 Republicans voting against the standard 5% increase for the reauthorization of the Older Americans Act. (CRV #155, 5/28/87; CRV #430, 11/17/87)

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	NN	HYDE -	YY
DELAY -	NN	MCCOLLUM -	YY
GINGRICH	YY	WALKER -	YY

DRAFT

- Republican leadership voted against an amendment to reduce poor seniors' rent contribution in federally-subsidized housing to 25% of their adjusted income. (CRV #171, 6/10/87)

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY -	N	HYDE -	N
DELAY -	N	MCCOLLUM -	Y
GINGRICH -	N	WALKER -	N

1986

- Republican leaders voted against helping poor senior citizens afford clean and safe housing. This amendment reduced seniors' contribution for federally-subsidized housing to 25% of their adjusted income, a decrease of 5%. (CRV #155, 6/11/86)

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY - N
DELAY - N
GINGRICH - N
HYDE - N
MCCOLLUM - Y
WALKER - N

- Each Republican leader voted to cut $28 million from the Older Americans Act authorization, thereby cutting the volunteer program. (CRV #????)

A "YES" VOTE WAS A VOTE AGAINST SENIORS

ARMEY - Y
DELAY - Y
GINGRICH - Y
HYDE - Y
MCCOLLUM - Y
WALKER - Y

1985

- Republican leaders voted opposed the FY '86 Budget Resolution which cut the deficit by freezing defense and some domestic spending. However, this resolution keeps full COLAs intact for Social Security and federal retirement and does not cut Medicare or Medicaid benefits (CRV #120, 5/23/85).

A "NO" VOTE WAS A VOTE AGAINST SENIORS

ARMEY - N
DELAY - N
GINGRICH - N
HYDE - N
MCCOLLUM - N
WALKER - N

DRAFT

- **By voting against the Prevention of Disinvestment of Social Security Trust Funds, Republican leaders were allowing social security funds to be used to meet other government obligations. (CRV #387-389; 11/1/85)**

"NO" VOTES WERE VOTES AGAINST SENIORS

ARMEY - NNN	HYDE - NNN
DELAY - NNN	MCCOLLUM - YYY
GINGRICH - NNN	WALKER - NNN

1983

- **Republican leaders voted against keeping social security in good financial health by establishing a mere .53% payroll tax in the year 2010.** Instead, Republican leadership sided with the U.S. Chamber of Commerce and National Federation of Independent Business and agreed to raise the age for retirees from 65 to 67 receive social security benefits. This decision was opposed by most labor unions and the National Council of Senior Citizens. NCSC recommended payroll taxes instead. (CRV #24, 3/9/83)

A "NO" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - N	MCCOLLUM - N
HYDE - N	WALKER - N

1982

- **Republican leadership voted against Labor-HHS appropriations for FY '83, providing for $17.2 billion for the Social Security administration and $2 billion for Social Security block grants. (CRV #402, 12/1/82)**

A "NO" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - Y	MCCOLLUM - N
HYDE - N	WALKER - N

- **According to the National Council for Senior Citizens, Republican leaders who voted for the Patent Term Extension were protecting drug manufacturers from competition, resulting in higher prices for prescriptions.** (CRV #305, 9/15/82)

A "YES" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - Y	MCCOLLUM - Y
HYDE - Y	WALKER - Y

DRAFT

- Republican leaders voted supported a concurrent resolution to reduce spending for entitlement programs and post a balanced budget for FY '84. (CRV #333, 12/10/81)

A "YES" VOTE WAS A VOTE AGAINST SENIORS

GINGRICH - Y	MCCOLLUM - Y
HYDE - Y	WALKER - Y

DRAFT

5.) **OPPOSITION TO FAMILY & MEDICAL LEAVE**

HR 1, Vote # 22, Family & Medical Leave Act, Feb. 3, 1993. 77% of House Republicans voted against this measure (134 of 174).

DRAFT

6.) **LIMITING QUALITY EDUCATION OPPORTUNITIES FOR WORKING FAMILIES**

EDUCATION FUNDING

- An amendment to the FY83 first budget resolution increased budget authority by $668 million and outlays by $87 million, with the increases used for education programs. The increases were offset by savings elsewhere in the budget, so as to not increase the deficit. Supporters of the amendment said that significant cuts already had been made to education programs, and that public schools and higher education aid programs needed the increase just to keep pace with inflation. [VOTE 113; 5/26/82; 323-99]

GINGRICH	Y	HYDE	N
MCCOLLUM	N	WALKER	Y

A "NO" VOTE WAS AGAINST EDUCATION FUNDING

- A second amendment to the first budget resolution raised FY83 budget authority by $1.7 billion and outlays by $837 million, with the increases intended for education programs. The increases would be offset by savings elsewhere in the budget so as not to increase the deficit. [vote 114; 5/26/82; 343-72]

GINGRICH	Y	HYDE	N
MCCOLLUM	Y	WALKER	Y

A "NO" VOTE WAS AGAINST EDUCATION FUNDING

- The FY83 appropriations bill for the departments of Labor, Health and Human Services, and Education provided $85.4 billion for the departments, including $4.1 billion for employment and training programs, $6.2 billion for education programs, and $6.1 billion for student assistance. [vote 402; 12/1/82; 330-70]

GINGRICH	Y	HYDE	Y
MCCOLLUM	N	WALKER	N

A "NO" VOTE WAS AGAINST EDUCATION FUNDING

DRAFT

TEACHER EXCELLENCE

- The State Commissions on Teacher Excellence resolution would have called upon states to develop commissions on teacher excellence to recommend measures to be taken to improve teacher quality. The resolution was defeated under suspension of the rules, Munder which a two-thirds majority is needed for passage. [vote 436; 12/13/82; 225-153]

GINGRICH	N	HYDE	Y
MCCOLLUM	N	WALKER	N

A "YES" VOTE WAS A VOTE TO IMPROVE TEACHING

1983

EDUCATION FUNDING

- An amendment which increased the FY 1984 Education-Labor-HHS appropriations by a total of $300 million specifically for education and job training programs. The Republican leadership voted unanimously against this bill. [CQ# 353, 9/22/83, 302-111]

A "NO' VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N MCCOLLUM -- N
WALKER -- N HYDE -- N

- The Education-Labor-HHS appropriations bill for FY 1984 provided a total of $99.38 billion dollars for these departments. The Education department received $12.42 billion along with $593.39 million for its related agencies. [CQ# 354, 9/22/83, 310-101]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY --
MCCOLLUM -- Y	DELAY --
WALKER -- N	HYDE -- Y

The conference report for the FY 1984 Education-Labor-HHS appropriations bill increased total funding to $104.43 billion. Funding for the Education department increased to 15.22 billion while related agencies received a total of $595.5 million.

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- Y

DRAFT

- An amendment to increase FY 1984 appropriations for 15 education and domestic programs by a total of $954.4 million. This appropriation would restore some of the cuts to the school lunch program and other nutritional programs. The Republican leadership voted against this increase in funding. [CQ# 468, 11/7/83, 254-155]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- N

- A substitute amendment to the Further Continuing Appropriations bill which increased FY 1984 appropriations by $954.4 million dollars. The amendment allocated funding for 15 education and domestic programs including the partial restoration of cuts to the school lunch and child nutrition programs. [CQ# 486, 11/10/83, 235-181]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- N

- The conference report on the Further Continuing Appropriation bill which increased the FY 1984 appropriations for nine domestic and education programs by $98.7 million. [CQ# 455, 11/12/83, 173-136]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- Y

DRAFT

EDUCATION PROGRAMS

- The Emergency School Aid Act authorized $100 million in FY 1984 to aid school districts in implementing desegregation plans. An extension of funding would be provided in FY 1985-86 to plan and implement desegregation plans if necessary. The Republican leadership voted unanimously against this bill. [CQ# 170, 6/6/83, 299-120]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- N

- A bill to reauthorize the Tribally Controlled Community College Assistance Act of 1978 which would have provided 33.2 million per year for fiscal years 1985 through 1987 for operating expenses and for technical assistance. The bill would have also established a construction and an endowment program. The Republican leadership was opposed to this bill.

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE --N

- The Follow Through Act Amendments bill authorized funding for the Follow Through program for FY 1984-1985. Follow Through is a program which continues to monitor disadvantaged children in primary schools who have made developmental and educational gains in the Head Start program. The Follow Through program was authorized $22.1 million for FY 1984 and $23 million for FY 1985 under conditions of the bill. [CQ# 172, 6/6/83, 288-132]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- Y	DELAY --
WALKER -- N	HYDE -- N

DRAFT

- The Math and Science Education Act authorized $325 million for programs to math and science education. The bill also provided $100 million for a fund to promote the training and use of scientific and technical personnel. [CQ# 12, 3/2/83, 348-54]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- Y	DELAY --
WALKER -- Y	HYDE -- N

- A bill that authorized $1.5 million in each of fiscal years 1983,1984, and 1985 for the Closeup Foundation and Washington Workshops Foundation. These grants would go towards programs such as the Law Education Program which brings disadvantaged students to Washington to learn about the Federal Government. [CQ# 165, 6/7/83, 230-190]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- N

Later in the year a vote there was a vote on the same bill which resulted in its passage. [CQ# 409, 10/21/83, 233-78]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- ?	DELAY --
WALKER -- N	HYDE -- Y

- A bill that reauthorized the Rehabilitation Act for five years. This bill increased the authorization for 10 education and social programs by $1.62 billion dollars including the addition of a new program to provide school districts with $500 for each alien child enrolled.

A " NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- ?	ARMEY --
MCCOLLUM -- Y	DELAY --
WALKER -- N	HYDE -- N

DRAFT

1984

EDUCATION FUNDING

- An amendment to H.R. 11, the Education Amendments, which would have cut the FY 1985 authorization for education programs in the bill by $750 million dollars. Opponents of this amendment were in favor of a different one which would only cut the FY 1985 authorization by $380 million. [CQ#324,7/26/84/, 169-233]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- Y	DELAY --
WALKER -- Y	HYDE -- Y

- An amendment to the Fy 1985 Education-Labor-HHS appropriation bill which would have reduced discretionary spending in the bill by 5.9%. The Republican leadership voted for this across-the-board cut which would have subtracted $1.5 billion from the Appropriations bill. [CQ #334, 8/1/84, 144-276]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- Y	DELAY --
WALKER -- Y	HYDE -- Y

- The Education-Labor-HHS appropriations bill provided $96.1 billion for these departments. The bill provided outright $17.2 billion for the Education department as well as $788.2 million for related agencies. [CQ #335, 8/1/84, 329-91]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- Y	ARMEY --
MCCOLLUM -- N	DELAY --
WALKER -- N	HYDE -- Y

DRAFT

1985

EDUCATION FUNDING

- An amendment to the FY85 Supplemental Appropriations bill would have cut spending on discretionary programs by 5% across-the board. The Republican leadership voted to make these cuts, including significant cuts in education such as funding for Pell Grants. [CQ #138, 6/11/85, 190-226]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

- The FY86 Education, Labor, HHS Appropriations bill provided $17.53 billion for Education funding alone. The bill restored funding for programs such as the Job Corps, Community Service Block Grants, and student financial aid, while providing a reduction of $3.4 billion below previous FY85 level. [CQ #299, 10/2/85, 322-107]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

- An amendment to the FY87 Higher Education Act would have frozen the authorization for non-student aid at the FY85 level, permitting increases for FY88-91 only for inflation compensation. The bill already reduced the current authorization by $115 million. [CQ #390, 12/4/85, 127-289]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- N	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

DRAFT

COLLEGE FINANCIAL AID

- The FY86 Budget Reconciliation bill included changes in the Guaranteed Student Loan (GSL) program. Changes included requiring a financial needs analysis of all GSL applicants and tightening loan collection procedures, thereby reducing spending on the program. [CQ #336, 10/24,85, 228-199]

A "YES" VOTE HELPED STUDENTS RECEIVE LOANS FOR COLLEGE

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- An amendment to the Higher Education Amendments tried to reduce the grace period on student loan repayment from nine months to six months after graduation. Extending the grace period helped counter the default rate as graduates would have more time to find a job and establish themselves before beginning loan repayment. This would give recent graduates a better chance at getting started without worry of being delinquent on their loans. [CQ #387, 12/4/85, 177-221]

A "NO" VOTE WAS A VOTE TO HELP GRADUATES

GINGRICH -- ?	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

- The Higher Education Amendments Reauthorization bill reauthorized many college student aid programs, including the Guaranteed Student Loan (GSL), Pell Grant, College Work Study, Supplemental Opportunity Grant, National Direct Student Loan, and State Student Incentive Grant programs. The bill cut the FY87 authorization by more than $1 billion below the current authorization and was essentially a freeze on the authorization level over five years. It reduced spending on the GSL Program by extending the needs analysis and tightening collection procedures, and facilitate attendance for nontraditional students, including those with children. [CQ #391, 12/4/85, 350-67]

A "YES" VOTE WAS A VOTE FOR STUDENT AID

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

DRAFT

<u>1986</u>

COMMUNITY SERVICE

- This amendment to the Community Service Programs would have eliminated the Follow Through program, a program developed to meet the continuing needs of Head Start graduates. All of the Republican leadership voted to cut this program, which indirectly benefitted hundreds of thousands of students. [CQ #92, 4/29/86, 161-245]

A "YES" VOTE WAS A VOTE CUT THIS KEY EDUCATION PROGRAM

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

EDUCATION FUNDING

- A substitute amendment offered to the FY87 Labor, HHS, Education Appropriations bill would have cut discretionary spending by 9.14%. This would have meant severe cuts in the several key programs, including $806 million in cuts in education programs. [CQ #248, 7/31/86, 99-321]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- N

- Another amendment offered to the FY87 Labor, HHS, Education Appropriations bill would have also made serious cuts totaling $233.2 million in education and employment and job training programs. [CQ #249, 7/31/86, 164-253]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

DRAFT

- Passage of the FY87 Education, Labor, HHS Appropriations bill provided $90.9 billion for all three departments and $12.8 in advance spending for FY88 and FY89. [CQ #250, 7/31/86, 328-86]

A "YES" VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- ?	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

- The Human Services Reauthorization bill extended the authorization for such valuable programs as Head Start, Follow Through, Low Income Energy Assistance and others. The conference report provided $15.8 billion for these programs. [CQ #94, 4/29/86, 377-33; CQ #354, 9/16/86, 375-27]

A "YES" VOTE WAS A VOTE FOR COMMUNITY SERVICE AND EDUCATION PROGRAMS

CQ #94

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- N	HYDE -- Y

CQ #354

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- Y	HYDE -- Y

COLLEGE FINANCIAL AID

- THe Higher Education Act Reauthorization bill funded the GSL and Pell Grant programs through FY92, and the Supplemental Educational Opportunities Grants, College Work Study, National Direct Student Loans (Perkins), and the State Student Incentive Grant programs through FY91. The bill also authorized programs that aid disadvantaged colleges and historically black colleges, and reduced spending by $400 million for GSL programs over three years. [CQ #376, 9/24/86, 385-25]

A "YES" VOTE WAS A VOTE FOR STUDENT AID

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- Y	HYDE -- Y

DRAFT

1987

EDUCATION FUNDING

- A series of amendments to the FY88 Labor, HHS, Education Appropriations bill would have made major cuts in discretionary spending, significantly cutting appropriations for important programs, including education. These amendments cut the bill's appropriations by 8.16%, 4.07%, and 2%, respectively, and were supported almost unanimously by the Republican Leadership. [CQ #303, 8/5/87, 83-341; CQ #304, 8/5/87, 145-280; CQ #305, 8/5/87, 181-245]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

CQ #303

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- N

CQ #304

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

CQ #305

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

- Passage of the FY88 Labor, HHS, Education Appropriations bill provided $20.64 billion to the Department of Education. [CQ #307, 8/5/87, 336-89]

A "YES" VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

DRAFT

1988

CHILDREN'S EDUCATION

- The Children's T.V. Advertising Bill required the FCC to limit the advertising during children's television programs, and to consider in its renewal of t.v. broadcast licenses whether the programming serves the educational and information needs of children. [CQ #172, 6/8/88, 328-78]

A "YES" VOTE WAS A VOTE FOR CHILDREN'S EDUCATION

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- N	HYDE -- Y

EDUCATION FUNDING

- This noncontroversial bill for the National Science Foundation Authorization provided $2.1 billion for FY89, and $2.3 billion for FY90. The bill gave matching grants in order to help modernize research facilities at colleges and universities. [CQ #177, 6/9/88, 405-5]

A "YES" VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

- An amendment to FY89 Labor, HHS, Education Appropriations bill would have cut $400 million from the appropriations. [CQ #185, 6/15/88, 37-369]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- N	DELAY -- Y
WALKER -- Y	HYDE -- N

DRAFT

1989

EDUCATION FUNDING

- Passage of the FY90 Labor, HHS, Education Appropriations bill provided $155.2 billion for the three Departments. [CQ #203, 8/2/89, 365-58]

A "YES" VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- ?

- This failure to overrride President Bush's veto of the FY90 Labor, HHS, Education Appropriation bill meant the failure to provide $24.1 billion to the Department of Education. A Yes vote was to override the veto. [CQ #305, 10/25/89, 231-191]

A "YES" VOTE WAS A VOTE TO SAVE EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

DRAFT

1990

EDUCATION FUNDING

- The conference report on the FY91 Labor, HHS, Education Appropriations bill provided $27.43 billion to the Department of Education. With the exception of Rep. Hyde, the Republican leadership voted against this funding. [CQ #504, 10/22/90]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

- The Math and Science Education Bill established a program to aid schools in science and math. Although only 19 members opposed the bill, only 2 Republican Leadership supported the bill.

A "YES" VOTE WAS A VOTE FOR MATH AND SCIENCE FUNDING

GINGRICH -- ?	ARMEY -- Y
MCCOLLUM -- ?	DELAY -- N
WALKER -- N	HYDE -- Y

- As in 1987, amendments were proposed to the Labor, HHS, Education Appropriations bill which would have made devastating cuts in discretionary spending, significantly cutting appropriations for important programs, including education. The first of these amendments made across-the-board cuts of 15.2%, and the second 2% (excluding some education programs), and again were supported almost unanimously by the Republican Leadership. [CQ #249, 7/19/90, 85-333; CQ #250, 7/19/90, 160-253]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

CQ #249

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- N

CQ #250

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

DRAFT

EDUCATION FUNDING

- Only 58 members voted against the FY91 Labor, HHS, Education Appropriations bill, which appropriated a total of $170.4 billion. Of those 58, 4 were members of the Republican Leadership. [CQ #252, 7/19/90, 359-58]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- N	HYDE -- Y

STUDENT AID/NATIONAL SERVICE

- The Republican Leadership supported an amendment offered to the National Service Act which would have eliminated provisions of the bill that provided forgiveness on portions of student loans in exchange for community service performed. [CQ #330, 9/13/90, 200-212]

A "NO" VOTE WAS A VOTE TO HELP NATIONAL SERVICE PARTICIPANTS WITH STUDENT AID

GINGRICH -- ?	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

- An amendment to the Equity and Excellence in Education Act was offered which would have made changes in student loan programs. These changes would result in millions of applicants for student aid to resubmit their applications. [CQ #254, 7/20/90, 122-264]

A "YES" VOTE WAS A VOTE AGAINST STUDENT AID

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- ?	DELAY -- Y
WALKER -- Y	HYDE -- Y

DRAFT

NATIONAL EDUCATION GOALS

- Three members of the Republican Leadership were among a group of only 25 who voted against a noncontroversial bill to set national education goals. [CQ #256, 7/20/90, 350-25]

A "YES" VOTE WAS A VOTE TO SET NATIONAL EDUCATION GOALS

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- ?	DELAY -- N
WALKER -- N	HYDE -- Y

HEAD START

- The Republican Leadership opposed a compromise and final passage to the Early Childhood Education and Development Act, which authorized funds to expand the Head Start program into a year-round, all day program. The compromise also authorized funds for a new program to provide childcare for pre-schoolers as well as school-aged children. [CQ #58, 3/29/90, 263-158; CQ #60, 3/29/90, 265-145]

A "YES" VOTE WAS A VOTE FOR HEAD START EXPANSION

[CQ #58,60]

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- In a key, non-controversial vote on the Head Start and Human Services Reauthorization bill, three of only 14 members who opposed reauthorizing funding for Head Start were part of the Republican Leadership. The bill authorized $2.4 billion in FY91 and $20.3 for FY92-94 for the Head Start program, which would enable all eligible children to participate in the program by FY94. [CQ #111, 5/16/90, 404-14]

A "YES VOTE WAS A VOTE FOR HEAD START

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- N	HYDE -- Y

DRAFT

1991

EDUCATION FUNDING

- An amendment offered to the FY92 Labor, HHS, Education Appropriations bill that would have cut Education appropriations by 5.9% was supported by 3 members of the Republican Leadership, out of only 55 members voting for it. This meant $1.4 billion in cuts for the Education Department, significantly cutting important programs including compensatory education, student financial aid, and education for the handicapped. [CQ #199, 6/26/91, 55-366]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- ?	ARMEY -- Y
MCCOLLUM -- N	DELAY -- Y
WALKER -- Y	HYDE -- N

- Passage of the FY92 Labor, HHS, Education Appropriations bill provided $204 billion for the three Departments, including funds for elementary and secondary education. [CQ #200, 6/26/91, 353-74]

A "YES" VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

The conference report on this bill also passed, without a single vote of support from the Republican Leadership. [CQ #380, 11/6/91, 272-156]

A "YES" VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

DRAFT

- President Bush's vetoed the FY92 Labor, HHS, Education Appropriations bill, largely over the "Gag Rule" issue. On a vote to override the veto (which failed), the Republican Leadership opposed the override. [CQ #403, 11/19/91, 276-156]

A "YES" VOTE WAS A VOTE TO OVERRIDE THE VETO AND PROVIDE EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- After eliminating the "gag rule" provision in the FY92 Labor, HHS, Education Appropriations bill, the House passed the bill with four of only 58 'NO' votes coming from the Republican Leadership. [CQ# 417, 11/22/91, 364-58]

A "YES" VOTE WAS A VOTE TO PROVIDE EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

HEAD START

- An amendment to the FY92 Budget Resolution increased the education, training, employment and social services by $400 million. This translated into additional funding for Head Start, Chapter 1 Compensatory Education, Student Financial Aid, and Vocational and Adult Education. The Head Start funds were seen as critical to the program which was still only serving 32% of eligible children. [CQ #67, 4/17/91, 261-158]

A "YES VOTE WAS A VOTE FOR HEAD START

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

DRAFT

- The FY92 Budget Resolution provided important additional funding for the Head Start program. [CQ #71, 4/17/91, 261-163]

A "YES VOTE WAS A VOTE FOR HEAD START

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- The Republican Leadership unanimously opposed an amendment to the FY92 Dire Emergency Supplemental Appropriations bill, which would have provided $1.2 billion in additional funding to Head Start. [CQ #347, 10/29/91, 243-180]

A "NO" VOTE WAS A VOTE AGAINST HEAD START FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

DRAFT

LIBRARIES

- An amendment offered to the FY92 Interior Appropriations bill which would have cut $2 million from the Chicago Public Library was rejected, no thanks to the five members of the Republican Leadership who voted for the cuts.

A "YES VOTE WAS A VOTE TO CUT THE LIBRARY FUNDS

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- N

1992

EDUCATION IMPROVEMENT

- The Neighborhood Schools Improvement Act authorized $800 million in FY92 and such sums as necessary in FY93-2001 for grants to states. Although this was one of the most important education initiatives in 1992, most of the Republican Leadership could not be bothered to vote. The goal of the bill is to improve states education systems, and did the following:

  - Authorized $800 million in FY92 and necessary sums in FY93 through 2000 for grants to states to improve their school systems;

  - Established a National Education Goals Panel;

  - Required each state to formulate an education reform plan; and

  - Provided a five-year demonstration program to determine whether waivers of certain laws enable schools to better serve disadvantaged children. [CQ #385, 8/12/92, 279-124]

A "YES VOTE WAS A VOTE FOR SCHOOL IMPROVEMENTS

GINGRICH -- ?	ARMEY -- N
MCCOLLUM -- ?	DELAY -- N
WALKER -- ?	HYDE -- ?

- A substitute amendment to the Neighborhood Schools Improvement Act, sponsored by **Rep. Armey** would have cut $100 million in FY92 spending. The Armey amendment would also have required that 25% of a district's grant be used for a school choice program that included private schools. [CQ #383, 8/12/92, 80-328]

A "YES VOTE WAS A VOTE TO CUT SCHOOL IMPROVEMENT FUNDING

GINGRICH -- ?	ARMEY -- Y
MCCOLLUM -- ?	DELAY -- Y
WALKER -- ?	HYDE -- ?

DRAFT

- A second substitute, offered by Rep. Goodling, would also have cut $100 million in FY92 spending, and permitted (but not required) school choice programs, and established a National Education Goals Panel and a New American Schools program for at-risk students. [CQ #384, 8/12/92, 140-267]

A "YES VOTE WAS A VOTE TO CUT SCHOOL IMPROVEMENT FUNDING

GINGRICH -- ?	ARMEY -- N
MCCOLLUM -- ?	DELAY -- Y
WALKER -- ?	HYDE -- ?

EDUCATION FUNDING

- The FY93 Labor,HHS, and Education Appropriations bill provided over $244 billion in new budget authority in FY93 for the Labor, HHS, and Education Departments. The bill also approved $36.5 billion in FY94 and $272.3 million in FY95. [CQ #322, 7/28/92, 345-54]

A "NO" VOTE WAS A VOTE AGAINST EDUCATION FUNDING

GINGRICH -- ?	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

- An amendment was offered to the FY93 Labor, HHS, Education Appropriations bill which would reduce funding in the bill by 1.05%. [CQ #320, 7/28/92,95-290]

A "YES" VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- ?	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- ?

HIGHER EDUCATION

- The Higher Education Act Reauthorization reauthorized funds through FY97 for federal financial aid to post-secondary students. This included Pell Grants, and the Guaranteed Student Loan program. [CQ #62, 3/26/92, 365-3]

A "YES VOTE WAS A VOTE FOR HIGHER EDUCATION

GINGRICH -- Y	ARMEY -- ?
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

DRAFT

The conference report on the same bill passed easily, with three members of the Republican Leadership among only seven who did not support the bill. [CQ #274, 7/8/92, 419-7]

A "YES VOTE WAS A VOTE FOR HIGHER EDUCATION

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- Y	HYDE -- ?

1993

ACADEMIC REFORM

- In 1993, the Republican Leadership opposed a major education initiative, Goals 2000. This legislation for improving the nation's education system authorized $400 million in Federal grants for state and local education reform programs which are designed to ensure that students:

  1) Graduate from high school at an overall rate of 90%;

  2) Master challenging subject matter in courses such as geography, foreign languages, and economics;

  3) Be first in the world in science and mathematics achievements;

  4) Attend schools which are free from drugs and conducive to learning.

  [CRV #496, 10/13/93, 307-118]

A "YES VOTE WAS A VOTE FOR EDUCATION REFORM

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- Instead, **REP. ARMEY** offered a substitute amendment which would have gutted the education reform program and require school districts to spend 25% of the funds authorized for vouchers for private and parochial school tuition. [CRV #494, 10/13/93, 130-300]

A "YES VOTE WAS A VOTE AGAINST EDUCATION REFORM

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

DRAFT

EDUCATION FUNDING

- Passage of the FY94 Labor, HHS, Education Appropriations bill provided $215.7 billion for the agencies in FY94. [CRV #311, 6/30/93, 305-124]

A "YES VOTE WAS A VOTE FOR EDUCATION FUNDING

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- Y

- A motion to cut $4.8 billion from the FY94 Labor, HHS, Education Appropriations bill by freezing spending at the level for FY93 was proposed and supported by of the Republican Leadership. [CRV #310, 6/30/93, 158-267

A "YES VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- N

- An amendment to the FY93 Supplemental Appropriations bill was offered which would have eliminated funding for the Youth Fair Chance program. The program provides individuals age 14-30 with stipends for transportation, food, and other basic necessities to help with education and training. Participants are involved in paid work experience and classroom programs. [CQ #189, 5/26/93, 176-251]

A "YES" VOTE WAS A VOTE TO CUT THE YOUTH FAIR CHANCE PROGRAM

GINGRICH -- Y	ARMEY -- Y
MCCOLLUM -- Y	DELAY -- Y
WALKER -- Y	HYDE -- Y

STUDENT LOANS/FINANCIAL AID

- The National and Community Service of 1993 provided educational awards to 100,000 American students of up to $4,725 who participate in the program. The Republican Leadership opposed passage and the conference report of the National Service Bill. [CQ #379, 7/28/93, 275-152; CQ #408, 8/6/93, 275-152]

A "YES VOTE WAS A VOTE FOR NATIONAL SERVICE

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

DRAFT

- The Budget Reconciliation package included student loan reform legislation which would make it easier for students to apply for college assistance, and save the government approximately $4.3 billion in interest charges and default payments. Again, the Republican Leadership voted against students by opposing both passage and the conference report. [CQ #199, 5/27/93, 219-213; CQ #406, 8/5/93, 218-216]

A "NO" VOTE WAS A VOTE AGAINST STUDENT AID

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- The FY93 Emergency Supplemental Appropriations bill included $1.9 billion to make up for an accumulated shortfall in the budget for Pell Grants, and $1 billion for Chapter 1 and Head Start programs, and $1 billion for summer jobs programs. [CRV #88, 3/19/93, 235-190]

A "YES VOTE WAS A VOTE FOR STUDENT AID

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- The second FY93 Supplemental Appropriations bill provided $1.8 billion for, among other things, a shortfall in Pell Grants. The republican leadership unanimously opposed the conference report. [CQ #188, 5/26/93, 300-125; Gingrich voted YES; CQ #321, 7/1/93, 280-138]

A "YES VOTE WAS A VOTE FOR STUDENT AID

CQ #188

GINGRICH -- Y	ARMEY -- N
MCCOLLUM -- Y	DELAY -- N
WALKER -- N	HYDE -- Y

CQ #321

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

HEAD START

- The FY93 Emergency Supplemental Appropriations bill included $1 billion for Chapter 1 and Head Start programs. [CRV #88, 3/19/93, 235-190]

A "YES VOTE WAS A VOTE FOR HEAD START

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

DRAFT

1994

ACADEMIC REFORM

- The Republican Leadership opposed the conference report of the Goals 2000 initiative. This legislation for improving the nation's education system authorized $400 million in Federal grants for state and local education reform programs which are designed to ensure that students:

  1) Graduate from high school at an overall rate of 90%;

  2) Master challenging subject matter in courses such as geography, foreign languages, and economics;

  3) Be first in the world in science and mathematics achievements;

  4) Attend schools which are free from drugs and conducive to learning.

  [CQ #86, 3/23/94,]

  A "YES VOTE WAS A VOTE FOR EDUCATION REFORM

GINGRICH -- N	ARMEY -- N
MCCOLLUM -- N	DELAY -- N
WALKER -- N	HYDE -- N

- Improving America's Schools Act of 1994 reauthorized for six years the appropriations for the programs under the Elementary and Secondary Education Act of 1965. The bill revised the formula for distributing Chapter 1 funds to the most impoverished schools, redistributing $7.4 billion to those school districts with high percentages of poor children. [CQ #95, 3/24/94, 289-128]

  A "YES VOTE WAS A VOTE FOR EDUCATION REFORM

GINGRICH --	ARMEY --
MCCOLLUM --	DELAY --
WALKER --	HYDE --

DRAFT

- A Republican substitute was offered which would have cut the funding by $400 million and allow the use of Title I money for public school choice programs. [CQ #94, 3/24/94, 173-245]

A "YES VOTE WAS A VOTE TO CUT EDUCATION FUNDING

GINGRICH --	ARMEY --
MCCOLLUM --	DELAY --
WALKER --	HYDE --

- The conference report of the Head Start Reauthorization continued Head Start funding through 1998 and expanded the program for preschoolers. This legislation also funded other anti-poverty programs.
[CQ #170, 5/12/94,]

A "YES VOTE WAS A VOTE FOR HEAD START FUNDING

- The FY95 Labor, HHS, Education Appropriations bill authorized $252.3 billion in new budget authority. [CQ #304, 6/29/94, 339-89]

- The School-to-Work Conference Report authorized $300 million for programs helping the transition from school to the workplace easier for students. [CQ #128, 4/20/94, 339-79]

DRAFT

7.) CUTTING AGRICULTURE PROGRAMS

Dick Armey's Plan For America's Family Farmer

- Dick Armey, in a recent campaign swing through the Mid-west summarized his true feelings about the future of the agriculture industry:

  > "U.S. Representative Dick Armey of Texas, a critic of farm programs, said Tuesday that **the Federal government should not try to keep family farmers in business because 'the market wild determine the optimal number of farmers at the optimal size.'"**

  According to the same news story, "In Iowa, the largest impact would be felt by changes in the feed grain subsidy program, which in some years provides more than $1 billion to Iowa farmers."

  [DesMoines Register, 8/24/94]

- On January 3, 1991, Dick Armey sponsored the Peanut Program Modernization Act of 1991 (HR.32) which would repeal the existing quota and price support program for peanuts and to authorize the Secretary of Agriculture to support the price of peanuts at a level to be determined by the Secretary.

  Other legislation introduced by Armey which did the same thing: HR. 4845, 5/17/90;

- In addition, on February 7, 1990, Armey introduced legislation to provide that farm operators with adjustable gross incomes of $100,000 or more or farm entities with gross receipts of $500,000 or more shall be ineligible to receive payments under any agricultural program under the Agricultural Act of 1949. [HR. 3973, 2/7/90]

- Finally, Armey has cosponsored legislation which would reduce price supports for specific specialty crops:

  ** HR. 1055, The Sugar Supply Stabilization Act of 1989 (2/22/89): This bill would amend the Agricultural Act of 1949 to reduce sugar support price levels beginning in 1989.

  ** HR. 4865, The Tobacco Deregulation Act of 1990 (6/5/90): This bill would, among other things, repeal provisions of law concerning price supports for tobacco.

DRAFT

** Armey in a recent article in the Des Moines Register, expressed his desire to also eliminate subsidies for peanuts: "'When I became actively engaged in the Farm Bill of 1990, I figured I got at least a 10-year fight here. **We'd take some of the little programs, like peanuts, honey, wool, and mohair.'"** [DesMoines Register, 8/24/94]

Armey also sponsored legislation to repeal the quota and price support programs for peanuts. [HR.3846, 2/10/94] Armey also sponsored legislation to eliminate the Honey Price Support system. {HR. 814, 2/4/93]

DRAFT

8.) OPPOSITION TO WORKER WAGES AND TRAINING

REPEAL OF THE MINIMUM WAGE

- On February 8, 1988, Dick Armey introduced, H.R. 3920, a bill to amend the Fair Labor Standards Act of 1938 to repeal its minimum wage and overtime requirements. This legislation, if passed, would have repealed the minimum wage law. NOTE: Some follow-up may want to be done before this proposal is taken public.

  NOTE: Armey introduced HR. 1448 and HR. 4459 on 3/6/85 and 3/20/86 respectively, to essentially accomplish the same task.

VOTES AGAINST JOB TRAINING

HR 2264, Vote # 198, Kasich Amendment (FY 1994 Budget), May 27, 1993. 70% of House Republicans voted for this measure (132 of 172).

HR 2264, Vote # 406, Budget Reconciliation, August 5, 1993. 100% of House Republicans voted against this measure (175 of 175).

- The Solomon Substitute to the FY 1995 Budget Resolution (CR# 52, 3/10/94) called for an extreme $600 billion in total spending over five years with the hopes of balancing the budget in five years. It cuts would severely damage programs utilized by middle and lower income individuals including: $140 million in Medicare cuts over five years and a 50% cut in all job training programs. This was the more severe of the two Republican substitutes.

A "NO" WAS A VOTE TO PROTECT WORKING FAMILIES AND SENIORS

GINGRICH	N	WALKER	N
ARMEY	Y	HYDE	N
DELAY	Y	MCCOLLUM	N

DRAFT

DRAFT

9.) OPPOSITION TO EDUCATION REFORM

HR 1804, Vote # 86, Goals 2000: Educate America Act, March 23, 1994. 66% of House Republicans (115 of 174) voted against this measure to improve learning and teaching through a national framework for education reform.

DRAFT

10.) OPPOSITION TO ANTI-CRIME PROPOSALS

- **The Charge to Kill the Brady Bill**
- **The Charge to Kill the Assault Weapons Ban**
- **Gridlock -- Republican Leadership: The Voting Record**

1994

CRIME BILL

- The 1994 Omnibus Crime bill is the most far-reaching anti-crime legislation ever passed by Congress and signed into law. Major provisions of the bill include:

  * **More cops on the beat.** The bill authorizes a total of $8.8 billion in federal grants for "community policing" programs for states and localities. The amount will provide for up to 100,000 police officers.

  * **Expansion of the death penalty.** The bill adds over 60 crimes subject to the federal death penalty. Before the bill was passed, only two crimes were subject to the death penalty.

  * **Three strikes and you're out.** The bill mandates life imprisonment for anyone convicted of a third felony, including violent crimes and serious drug offenses.

  * **Assault weapons ban.** The bill banned 19 military-style assault weapons while protecting over 600 sporting rifles and shotguns.

  * **Grants for prisons and boot camps.** The bill includes grants of over $9.8 billion to states for prison construction. The bill also includes funds for states to develop new, alternative punishments for juvenile offenders, other than incarceration and probation. The bill provides $200 million in each fiscal year 1994-1996 to develop programs such as boot camps, shock incarceration, reimbursement of victims by the offenders, weekend incarceration, and community service.

  * **Crime prevention programs.** The bill authorizes $6.9 billion for community programs intended to prevent crime, including funds for up to 15 model anti-crime programs in high-crime areas, grants for localities for quick access to flexible funds to be used on anti-crime activities, and grants for dug courts for substance abusers.

  * **Domestic violence grants.** The bill provides $1.6 billion over six years in grants for programs to combat violence against women.

- Passage of the conference report [vote 416; 8/21/94; 235-195]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

- Rule to provide floor consideration of conference report [vote 394; 8/11/94; 210-225]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

- Passage of the original House bill [vote 144; 4/21/94; 285-141]. The original House bill provided funds for only 50,000 new police officers, and did not include the ban on assault weapons. The original bill provided $27.8 billion, with fewer dollars provided for additional police officers but more for prison construction.

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

ASSAULT WEAPONS BAN

- Although eventually included in the conference report on the Omnibus Crime bill, the ban on 19 types of assault weapons was originally passed as a separate bill. [vote 156; 5/5/94; 216-214]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

POLICE CORPS

- An amendment to the crime bill created a Police Corps program, similar to R.O.T.C programs, in which college scholarships are provided to students in return for a four-year commitment to serve in law enforcement. The amendment authorized $100 million in FY95 and $250 million in FY96 for the program. [vote 138; 4/20/94; 250-174]

GINGRICH	Y	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

URBAN RECREATION

- Only 59 members voted against the bill to authorize funds to improve recreation facilities and create "At-Risk Youth Recreation Grants." The bill would expand recreation opportunities in high-crime urban areas. [vote 82; 3/22/94; 361-59]

GINGRICH	N	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1993

BRADY BILL

- The Brady Bill mandated a five-day waiting period on all handgun purchases so that local law enforcement officials can perform a background check on the purchaser.

  In its first month of enactment, the Brady Bill prevented at least 1,603 felons and fugitives from buying handguns. [Washington Post, 4/1/94]

  Passage of the conference report [vote 614; 11/22/93; 238-187]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

Passage of the original House bill. [vote 564; 11/10/93; 238-189]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

BOOT CAMPS

- There were two separate votes in 1993 on bills to provide grants to states and localities for the creation of alternative punishments for juvenile offenders, including boot camps. On the first vote, the bill failed under suspension of the rules [in which a 2/3 majority is needed for passage]. On the second, the bill passed on a majority vote.

Passage of the bill under suspension of the rules [vote 541; 11/3/93; 234-192]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

Passage of the bill on a majority vote [vote 590; 11/19/93; 335-82]

GINGRICH	?	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

PRISON SUBSTANCE ABUSE

- There were two 1993 bills relating to substance abuse programs in prisons in 1993.

One bill authorized $100 million in each fiscal year 1994-96 for state prisons to establish substance abuse programs. [vote 543; 11/3/93; 394-32]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

Another bill required all federal prisons to provide substance abuse treatment to any prisoners requesting it. [vote 540; 11/3/93; 373-54]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

JUVENILE SUBSTANCE ABUSE AND GANG ACTIVITY

- The juvenile substance abuse bill authorized $100 million in each of fiscal years 1994 and 1995 for state and local governments and non-profit organizations to develop programs to decrease juvenile drug use and gang activity. [vote 542; 11/3/93; 413-12]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

INCREASED FUNDING FOR LOCAL POLICE

- As part of the 1993 Supplemental Appropriations bill, Congress provided $200 million for local police programs [CQ Almanac]. [vote 193; 5/26/93; 287-140]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- The appropriations bill for the departments of Commerce, Justice, and State provided $23.4 billion for the three departments, the federal judiciary, and related agencies. The bill provides funds for important programs such as the FBI, INS, and DEA. [vote 517; 10/19/93; 303-100]

GINGRICH	N	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

1992

JUSTICE ASSISTANCE REAUTHORIZATION

- The reauthorization of the Justice Assistance Act set up crime prevention programs and continued the support of state and local law enforcement officials for two years. [vote 422; 9/24/92; 399-10]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	Y	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE DEPARTMENT APPROPRIATIONS

- The FY93 Commerce, State, and Justice appropriations bill provided $22.3 billion to these departments, the federal judiciary, and related agencies. This bill funds important law enforcement organizations like the INS, FBI, and DEA, and also provides for federal prison funding. [vote 354; 7/30/92; 242-153]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	?
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1991

OMNIBUS CRIME BILL

- The 1991 Omnibus Crime bill included provisions establishing a five-day waiting period for handgun purchases, authorizing $3 billion for law enforcement, extending the death penalty for up to 50 additional crimes, and reforming the habeus corpus appeal process.

  Passage of the conference report [vote 443; 11/27/91; 205-203]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

Passage of the original House bill [vote 327; 10/22/91; 305-118]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

POLICE CORPS

- An amendment to the Omnibus Crime Bill established the police corps program, which provided college scholarships of up to $10,000 per year to students, in return for a four-year commitment to serve in state or local law enforcement. [vote 325; 10/22/91; 369-51]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

ASSAULT WEAPONS

- An amendment to the Omnibus Crime bill eliminated its provisions banning 13 types of assault weapons and provisions banning ammunition clips holding more than seven rounds. [vote 318; 10/17/91; 247-177]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	Y	HYDE	Y
DELAY	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

BRADY BILL

- Although the waiting period for handgun purchases eventually became part of the Omnibus Crime bill, it was originally voted as a separate bill to require a seven-day waiting period. [vote 83; 5/8/91; 239-186]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

There was also a substitute amendment proposed to the Brady Bill which would have established a national hot line for licensed gun dealers to use to perform a background check. If the hot line did not yield an immediate response, the handgun sale could be completed in 24 hours. [vote 81; 5/8/91; 193-234]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	Y	HYDE	N
DELAY	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- The FY92 appropriations bill for the departments of Commerce, Justice, and State provided $20.9 billion for the three departments, the federal judiciary, and related agencies, including the FBI, DEA, and INS. [vote 154; 6/13/91; 338-80]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	Y	WALKER	N

A "NO" VOTE WAS THE ANTI-CRIME VOTE

1990

JUSTICE APPROPRIATIONS

- The House appropriations bill for the Departments of Commerce, Justice, and State provided $10.5 billion for the departments and for the federal judiciary and related agencies. [vote 196; 6/26/90; 258-55]

GINGRICH	N	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	Y	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

An amendment to the bill called for a five percent across-the-board spending cut in all discretionary spending in the bill. [vote 195; 6/26/90; 83-323]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

- Although all six members of the Republican leadership voted for passage of the 1990 crime bill [vote 427; 10/5/90; 368-55], all six voted against passage of the rule that allowed for the House floor consideration of the bill. [vote 376; 9/25/90; 166-258]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1989

HATE CRIMES

- Only 47 members opposed the bill to authorize the acquisition and annual publication of data on crimes manifesting prejudice based on race, religion, sexual orientation, or ethnicity. [vote 110; 6/27/89; 368-47]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

ANTI-DRUG PROGRAMS

- Republican leadership was instrumental in blocking passage of a bill to increase funding for programs created by the 1988 Anti-Drug Abuse Act. This funding increase would have been paid for by transferring amounts in excess of the $3.738 billion appropriated from the SDI program to the Anti-Drug Abuse Act. [vote 67; 5/24/89; 205-213]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

ANTI-DRUG FUNDING

- The FY89 supplemental appropriations bill included $822 million for programs that fight drugs. [vote 65; 5/24/89; 227-197]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

JUSTICE APPROPRIATIONS

- The FY90 appropriations bill for the departments of Commerce, State and the Judiciary provided $17.2 billion for the departments, the federal judiciary, and related agencies, including the FBI, DEA, and INS. [vote 313; 10/26/89; 323-81]

GINGRICH	Y	ARMEY	X
MCCOLLUM	Y	HYDE	Y
DELAY	Y	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1988

RACIALLY MOTIVATED VIOLENCE

- Only six members opposed legislation establishing a national commission to investigate the causes and ways to eliminate racial violence. [vote 390; 10/4/88; 408-6]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- The FY89 appropriations bill for the departments of Commerce, Justice, and State appropriated $14.8 billion for the departments, federal judiciary, and related agencies, including $5.4 for the Justice Department and $1.4 for the federal judiciary. [vote 349; 9/27/88; 268-141]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

DRIVERS LICENSE SUSPENSIONS

- Republican leadership opposed an amendment to the Omnibus Drug Bill that provided $125 million to states suspending the drivers' licenses of people convicted of drug-related offenses. [vote 330; 9/22/88; 281-119]

GINGRICH	?	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

HANDGUN WAITING PERIOD

- An amendment to the Omnibus Drug Initiative Act struck provisions establishing a seven-day waiting period for handgun purchases, substituting a requirement that would require the Justice Department to develop a system in which gun dealers could immediately check a purchaser's background. [vote 321; 9/15/88; 228-182]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	Y	HYDE	N
DELAY	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

JUVENILE DELINQUENCY PREVENTION

- Only five members opposed a bill to combat juvenile delinquency; two belonged to the present Republican leadership. The bill authorized such sums as necessary for programs authorized by the Juvenile Justice Delinquency Act, including a grant program that aids sates in improving their juvenile justice systems and programs for runaway, homeless, and missing children. The bill also authorized a new anti-gang program. [vote 161; 6/1/88; 377-5]

GINGRICH	Y	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

CREATION OF "DRUG CZAR"

- An amendment to the Omnibus Drug Initiative Act created an Office of Drug Enforcement Coordination within the Executive Office of the President to be headed by a director appointed by the President. The amendment authorized $2.5 million for the new office in FY89 and abolished the National Drug Enforcement Policy Board. [vote 319; 9/15/88; 216-193]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1987

INDEPENDENT COUNSEL EXTENSION

- The bill extended for five years the law which provides for the appointment of an independent counsel to investigate alleged criminal violations by high-ranking members of the Executive Branch and others. [vote 373; 10/21/87; 322-87]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- The FY88 appropriations bill provided $13.9 billion for the departments of Commerce, Justice, and State, as well as the federal judiciary and related agencies. The measure also funded the Legal Services Corporation, which the Administration wanted to eliminate. [vote 244; 7/1/87; 292-102]

GINGRICH	N	ARMEY	N
MCCOLLUM	Y	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

1986

INCREASE LAW ENFORCEMENT GRANTS

- An amendment to the Omnibus Drug Bill increased the bill's authorization for state and local law enforcement grants from $100 million to $660 million in FY87 and from $200 million to $695 million in FY88. The amendment also permitted the use of grant funds for non-federal prison construction and reduced the state matching requirement. [vote 341; 9/11/86; 242-171]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	N
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- The FY87 appropriations bill for the departments of Commerce, Justice, and State appropriated $12.3 billion for the departments and related agencies and the federal judiciary. [vote 211; 7/17/86; 269-66]

GINGRICH	N	ARMEY	N
MCCOLLUM	Y	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE IS THE ANTI-CRIME VOTE

FIREARMS LAW REFORM

- The Firearms Law Reform bill eased restrictions to permit the interstate sale of rifles and shotguns, but not handguns, eliminated licensing for individuals who make occasional gun transactions and do not make a living selling guns, and preempted state and local laws to allow individuals to carry long guns or handguns in interstate commerce. [vote 69; 4/10/86; 292-130]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	Y	HYDE	Y
DELAY	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI CRIME VOTE

DRAFT

- A substitute amendment to the bill would have banned silencers, retained the ban on interstate sales of handguns prohibited interstate transportation of handguns, and maintained existing record-keeping requirements for gun dealers. [vote 64; 4/9/86; 176-248]

GINGRICH	N	ARMEY	N
MCCOLLUM	N	HYDE	Y
DELAY	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1985

JUSTICE APPROPRIATIONS

- An amendment to the appropriations bill would have cut all discretionary funds in the bill [except for the Business Loan and Investment Fund] by four percent, or about $250 million. [vote 237; 7/17/85; 149-266]

GINGRICH	Y	ARMEY	Y
MCCOLLUM	N	HYDE	N
DELAY	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

1984

STATE JUSTICE INSTITUTE

- The bill to create the State Justice Institute sought to help state and local governments strengthen and improve their judicial systems. The measure would have authorized $20 million in FY85 and $25 million in FY86 and 87. The institute would have provided grants to state courts and national organizations that deal with state courts. [vote 158; 5/22/84; 243-176]

GINGRICH	N	HYDE	Y
MCCOLLUM	Y	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- An amendment to the FY85 appropriations bill for the departments of Commerce, Justice, and State would have cut all discretionary spending in the bill by four percent -- more than $400 million from the $11 billion bill. [VOTE 195; 5/31/84; 208-194]

GINGRICH	Y	HYDE	Y
MCCOLLUM	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

- The conference report on the appropriations bill provided $11.5 billion for the departments, the federal judiciary and related agencies, including $305 million for the Legal Service Corporation. [vote 350; 8/8/84; 277-135]

GINGRICH	N	HYDE	N
MCCOLLUM	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1983

JUSTICE APPROPRIATIONS

- The FY84 appropriations bill for the departments of Commerce, Justice and State provided $10.5 billion for the departments, the federal judiciary, and related agencies. [vote 479; 11/9/83; 281-133]

GINGRICH	?	HYDE	Y
MCCOLLUM	Y	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1982

JUSTICE ASSISTANCE

- The Justice Assistance Act authorized $170 million for each of FY82 and FY83 for law enforcement grants to state and local governments. The bill required matching funds from state and localities and restricted the use of the funds. [vote 7; 2/10/82; 289-73]

GINGRICH	Y	HYDE	N
MCCOLLUM	Y	WALKER	Y

A "YES" VOTE WAS THE ANTI-CRIME VOTE

FUNDING ANTI-CRIME PROGRAMS

- An amendment to the first budget resolution would have increased budget authority by $300 million and outlays by $400 million in FY83 to fund the DEA, FBI, Customs Service, and Coast Guard. [vote 122; 5/27/82; 182-237]

GINGRICH	N	HYDE	N
MCCOLLUM	Y	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

- Another amendment to the first budget resolution would have increased funds for law enforcement in two other budget substitutes. The amendment would have increased funds in the substitutes by $251 million and $501 million, respectively.

GINGRICH	N	HYDE	N
MCCOLLUM	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

ALCOHOL AND DRUG ABUSE PROGRAMS

- The 1982 Supplemental Appropriations bill included $10 million for research on mental health, alcohol, and drug abuse programs. [vote 229; 7/29/82; 282-111]

GINGRICH	N	HYDE	Y
MCCOLLUM	Y	WALKER	N

A "YES" VOTE IS THE ANTI-CRIME VOTE

JUSTICE APPROPRIATIONS

- The FY83 appropriations bill for the departments of Commerce, Justice, and State appropriated $9 billion for the departments, the federal judiciary and related events. It also included $127.5 million for new programs to combat drug trafficking around the country.

GINGRICH	N	HYDE	N
MCCOLLUM	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

1981

ATF FUNDING CUT

- An amendment to the Treasury, Postal Service, and General Government appropriations bill deleted $5 million for the Bureau of Alcohol, Tobacco, and Firearms. [vote 160; 7/28/81; 279-141]

GINGRICH	Y	HYDE	Y
MCCOLLUM	Y	WALKER	Y

A "NO" VOTE WAS THE ANTI-CRIME VOTE

DRAFT

JUSTICE APPROPRIATIONS

- The FY82 appropriations bill for the departments of Commerce, Justice, and State provided $8.7 billion for the three departments, the federal judiciary, and related agencies, including the FBI, DEA, and INS. [vote 183; 9/9/81; 245-145]

GINGRICH	N	HYDE	Y
MCCOLLUM	N	WALKER	N

A "YES" VOTE WAS THE ANTI-CRIME VOTE

E X E C U T I V E O F F I C E O F T H E P R E S I D E

16-Sep-1994 11:54am

TO: Gene B. Sperling

FROM: Bruce N. Reed
Domestic Policy Council

SUBJECT: Welfare Reform Response

WELFARE REFORM
RESPONSE TO REPUBLICANS

WHAT THEY'LL SAY...

The Republicans are likely to tout their support for ending welfare altogether for mothers under 21; denying additional welfare benefits for children born on welfare; cutting overall welfare spending; and denying welfare benefits for all non-citizens.

WHAT THEY'VE DONE ...

* Not one Republican in Congress voted for the Democrats' plan to reward work over welfare by cutting taxes for 15 million working families. The President's economic plan included a massive tax cut for working families -- by increasing the Earned Income Tax Credit, the strongest work incentive ever proposed. This tax cut rewards families who leave welfare to go to work, and helps keep people from going on welfare in the first place. The President signed it into law last year after it passed Congress without a single Republican vote.

* Republicans have blocked efforts to provide universal health coverage, which would move 1 million women and children off welfare. One of the main reasons people go on welfare is to get health insurance for their families. A recent study found that over 80% of the people on welfare would take a minimum wage job immediately if that job provided health insurance for their families. Democrats believe that you shouldn't have to be rich, run for Congress, or go on welfare to get guaranteed health care -- all Americans deserve health care that can never be taken away.

* After 12 years of Republican talk about welfare reform, Bill Clinton and other Democrats are doing something about it. For 12 years, Republicans did nothing but talk about welfare reform, while the number of people on welfare increased dramatically. As a candidate, Bill Clinton was the first national leader to propose an end to welfare, and with the Work and Responsibility Act of 1994, he became the first President to introduce one. The New York Times said the Clinton welfare reform bill imposes "the toughest work requirements ever attached to welfare" and called it "the first serious effort by any President, Democrat or Republican, to stop the disastrous generational cycle of America's dole society." The Clinton Administration has already granted more sweeping welfare reform waivers than any previous Administration.

WHAT WE'RE DOING ...

* Two-Year Time Limit: The Clinton reform plan will end welfare as a way of life. Everyone who can work will be expected to go to work within two years, and earn a paycheck, not a welfare check. To those outside the economic mainstream, the Clinton plan will say two things: No one who works full-time with a child at home should be poor, and no one who can work should stay on welfare forever.

* Tough Child Support Enforcement: The Clinton plan also includes the toughest child support enforcement program ever. It's time to say to parents: If you're not paying your child support, we'll garnish your wages, suspend your license, track you across state lines, and even make you work off what you owe. If this country did a better job of enforcing child support, we almost would not need a welfare system.

* Ending Welfare for the Next Generation: The current welfare system sends young people exactly the wrong message. Today, minor parents get a check for leaving home, and are free to drop out of high school even though they will be ten times more likely to raise their child in poverty if they do. The Clinton welfare reform plan will require minor mothers to live at home, stay in school, finish their degree and go to work so they can get off welfare for good. It also includes a national campaign against teen pregnancy and giving states the option to stop giving welfare recipients additional benefits for additional children conceived on welfare.

Together, these proposals will help discourage out-of-wedlock births and reduce the need for welfare in the first place. Many of the Republican proposals -- such as simply cutting off benefits for all young mothers and slashing work incentives like the Earned Income Tax Credit -- will only create more problems than they solve.

OCT- 7-94 FRI 16:39 P.01

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FAX COVER SHEET

DATE: Oct. 7, 1994

SENT TO: Gene Spurling

FROM: Scott Lilly
HOUSE COMMITTEE ON APPROPRIATIONS

NUMBER OF PAGES (Including Cover Sheet): 10

Congress of the United States
House of Representatives
Washington, DC 20515

October 7, 1994

Dear Colleague:

As you may already know, Republican House leaders have been under intense pressure to demonstrate how they can increase defense spending, cut taxes on high income individuals and balance the budget within 6 years as their "Contract with America" promises. The ranking Republican member on the House Budget Committee, John Kasich, has provided a list of "potential" cuts as a show of good faith toward meeting that commitment. Kasich *claims* the cuts will reduce the deficit over the next five years by a total of $176 billion--not even enough to offset the cost during that period of the tax cuts promised in the "contract." More than $1.2 billion in additional cuts (more than six times the amount contained on the list) would be required to bring the budget into balance by the promised date of Fiscal Year 2002.

While the list may not provide sufficient cuts to even begin meeting the terms of the "contract," it does wreck havoc with certain sectors of the economy and certain portions of the country. One sector particularly impacted by the Kasich list is Agriculture. The list includes deep cuts in a number of important agriculture programs including Ag research, extension services, trade service and the Farmers Home Administration. But probably of greatest concern to farmers in your district is the proposed cut of $3.02 billion in P.L. 480 (Food for Peace) funds and the cut of $1.1 billion in loan guarantees under the U.S. Department of Agriculture's Export Credit Programs.

The projected cost of maintaining the P.L. 480 program at current levels over the next five years is $6.23 billion. Hence, the Kasich cut of $3.02 billion is about a 48% reduction below current levels for each of the next 5 years. The Loan Guarantee program is expected to cost $2 billion over that period if continued at current levels. Hence, the $1.1 billion cut will reduce foreign sales financed under that program by about 55%.

There are 7 commodities that account for the vast majority of the purchases made under P.L. 480 as well as for the sales financed under the Export Credit Program. The

Impacted Congressional Districts

06-Oct-94

State/District: AL05 **Incumbent:** Bud Cramer

Crop	District's Rank	Acreage
Cotton	25	191,340

State/District: AR01 **Incumbent:** Blanche Lambert

Crop	District's Rank	Acreage
Cotton	6	656,625
Sorghum	16	212,468
Rice	1	1,006,500
Soybeans	3	2,521,870

State/District: AZ02 **Incumbent:** Edward Pastor

Crop	District's Rank	Acreage
Cotton	18	300,600

State/District: AZ06 **Incumbent:** Karan English

Crop	District's Rank	Acreage
Cotton	20	273,500

State/District: CA03 **Incumbent:** Vic Fazio

Crop	District's Rank	Acreage
Rice	3	274,600
Beans	11	75,000

State/District: CA19 **Incumbent:** Rich Lehman

Crop	District's Rank	Acreage
Beans	14	48,400
Cotton	10	460,000

State/District: IA04 **Incumbent:** Neal Smith

Crop	District's Rank	Acreage
Corn	15	1,616,200
Soybeans	18	1,207,000

State/District: IL19 **Incumbent:** Glenn Poshard

Crop	District's Rank	Acreage
Corn	10	1,887,000
Soybeans	6	1,948,300

State/District: IL20 **Incumbent:** Richard Durbin

Crop	District's Rank	Acreage
Sorghum	29	75,432
Corn	14	1,659,000
Soybeans	7	1,785,100

State/District: IN04 **Incumbent:** Jill Long

Crop	District's Rank	Acreage
Corn	41	533,200

State/District: IN08 **Incumbent:** Francis McCloskey

Crop	District's Rank	Acreage

Corn	30	660,700

State/District: IN09 **Incumbent:** Lee Hamilton

Crop	District's Rank	Acreage
Corn	33	633,400

State/District: KS04 **Incumbent:** Dan Glickman

Crop	District's Rank	Acreage
Sorghum	8	376,600
Wheat	9	1,758,600

State/District: MI05 **Incumbent:** James Barcia

Crop	District's Rank	Acreage
Beans	2	483,633
Corn	39	550,000

State/District: MO04 **Incumbent:** Ike Skelton

Crop	District's Rank	Acreage
Sorghum	26	100,015

State/District: MO06 **Incumbent:** Pat Danner

Crop	District's Rank	Acreage
Corn	22	852,100
Soybeans	10	1,559,100

State/District: MO09 **Incumbent:** Harold Volkmer

Crop	District's Rank	Acreage
Corn	38	557,600

Sorghum	25	115,083
Soybeans	20	1,098,100

State/District: MS02 **Incumbent:** Bennie Thompson

Crop	District's Rank	Acreage
Soybeans	15	1,272,500
Rice	5	215,600
Cotton	3	1,060,660

State/District: NC01 **Incumbent:** Eva Clayton

Crop	District's Rank	Acreage
Corn	37	565,100
Cotton	14	347,790

State/District: NC03 **Incumbent:** H. Martin Lancaster

Crop	District's Rank	Acreage
Corn	44	460,800
Cotton	29	165,450

State/District: ND01 **Incumbent:** Earl Pomeroy

Crop	District's Rank	Acreage
Beans	1	510,000
Corn	36	570,000
Wheat	1	9,790,000

State/District: NM03 **Incumbent:** Bill Richardson

Crop	District's Rank	Acreage
Sorghum	20	165,868

State/District: SC06 **Incumbent:** Jim Clyburn

Crop	District's Rank	Acreage
Cotton	32	147,575

State/District: SD01 **Incumbent:** Tim Johnson

Crop	District's Rank	Acreage
Wheat	5	3,111,200
Soybeans	4	2,159,190
Corn	3	3,250,000
Sorghum	11	309,999

State/District: TX04 **Incumbent:** Ralph M. Hall

Crop	District's Rank	Acreage
Sorghum	17	205,944

State/District: TX09 **Incumbent:** Jack Brooks

Crop	District's Rank	Acreage
Rice	11	75,300

State/District: TX11 **Incumbent:** Chet Edwards

Crop	District's Rank	Acreage
Sorghum	12	271,200
Cotton	31	148,280

State/District: TX13 **Incumbent:** Bill Sarpalius

Crop	District's Rank	Acreage
Cotton	1	1,875,130

Sorghum	9	350,034
Wheat	11	992,100

State/District: TX14 **Incumbent:** Greg Laughlin

Crop	District's Rank	Acreage
Cotton	19	294,730
Sorghum	7	425,638
Rice	4	224,000

State/District: TX15 **Incumbent:** E. (Kika) de la Garza

Crop	District's Rank	Acreage
Cotton	11	443,281
Sorghum	6	428,200

State/District: TX17 **Incumbent:** Charles W. Stenholm

Crop	District's Rank	Acreage
Cotton	4	910,003
Sorghum	21	157,290

State/District: TX27 **Incumbent:** Solomon P. Ortiz

Crop	District's Rank	Acreage
Cotton	13	400,967
Sorghum	10	342,633

State/District: TX28 **Incumbent:** Frank Tejeda

Crop	District's Rank	Acreage
Sorghum	18	186,533

State/District: WA04 **Incumbent:** Jay Inslee

Crop	District's Rank	Acreage
Wheat	12	983,600
Beans	10	80,400

State/District: WI01 **Incumbent:** Peter Barca

Crop	District's Rank	Acreage
Corn	40	537,000

MEMORANDUM

August 24, 1993

To: Gene Sperling

From: DTE David T. Ellwood

Re: Marriage Penalties and the EITC

Several analysts have expressed concern that the EITC penalizes marriage. Predictably, the truth is complicated. The EITC encourages marriage in some circumstances and discourages it in others.

The basic issue is relatively easy to understand. The EITC rewards families with both children and earnings. But it phases out as family income rises, and there are no increases in the EITC for families with more than 2 children. Thus depending on the work and family status of the two potential mates the presence of the EITC can reward or penalize marriage.

Marriage Rewards: Cases where a *non-working parent* living with children (often a mother on welfare) marries a *working non-parent* (or a working non-custodial parent) are rewarded, since neither alone would qualify for the EITC before marriage, while the newly married couple would qualify. In the extreme, an unemployed welfare mother with two children on welfare marrying a single man working full-time at the minimum wage will qualify for nearly $3,400 in EITC. Thus for a woman on welfare, the EITC presents a substantial payoff for marriage. This system thus encourages low income women who would typically rely on welfare to marry.

Even a mother with two children working part-time at a minimum wage job marrying a childless man working full-time at a minimum wage job gain over $1,100 from marriage as a result of the EITC.

Marriage Penalties: Cases where a low earning working parent, who is collecting nearly the maximum credit, marries someone else who is working will typically create penalties. A single *working parent* with two children earning $10,000 qualifies for a $3,400 EITC. If she marries a man who is earning $20,000, the total family income will be such that the family no longer qualifies for any EITC. Thus the family loses $3,400 by marrying.

Of course, there are other gains to marriage, such as the need to maintain only one house or apartment rather than two. By all estimates these gains are significantly larger than $3,400. Using the current poverty lines, an independent one person household requires roughly $7,700 to live out at the poverty level, a three person household requires roughly $12,000 to reach poverty. Thus to support two independent households at poverty with 4 total people requires nearly $20,000. By contrast, the poverty line for a single 4 person household is $15,200. Thus the household saves $4,500 by living in the same household. For families living at twice the poverty line may realize nearly twice these savings.

The most extreme penalties occur for a marriage between two parents each living with two children and each with income right at the maximum allowed for a full EITC benefit ($11,000). In this case, each would get a full $3,400 in EITC if unmarried. When they marry, they will qualify for only about $1,000 in EITC. This particular case, which is a favorite of those who want to emphasize marriage penalties, must be extremely rare, since very few men are lone fathers, and a relatively tiny portion of these must earn between $9,000 and $11,000--the range of maximum credit, and even fewer of these marry women in exactly the same circmstnce.

How Big is This Issue? I will try to see if we can get a sense of how many marriages really are affected by the EITC marriage penalty and how many are affected by the marriage rewards. I'll pass along this information when I have it if it seems helpful. I suspect it will be very small. Moreover, it is essential that we constantly emphasize that the benefits of the EITC go to working families with children. Even those who face a marriage penalty are usually better off having the EITC than not having anything at all. One of the strongest arguments in favor of the EITC is that (unlike welfare) it helps low income two parent families as much as single parent ones. The EITC may provide the extra cushion of income that low income two-parent families need in order to stay together, avoiding the need to split-up and go on AFDC. It is a pro-family policy.

Are Marriage Penalties a Problem? In my view, the penalties associated with the EITC are far less important than the benefits of the EITC. The fact that the EITC strongly encourages marriage among those on AFDC is one of its greatest strengths. I am skeptical that the persons who are theoretically penalized, dual earning middle and working class families with children, would let the tax consequences of marriage enter into their decisions to marry. And remember, there are real financial benefits to marriage beyond the tax consequences which come from forming a joint household.

Note also that virtually all systems of progressive taxation where families are the filing unit have marriage penalties for dual earners. The reason is that by combining income, the family is pushed into a higher tax bracket and they must pay a larger percentage of their income.

Can Marriage Penalties Be Fixed? The simple answer is that they can be mitigated, but only if we spend more money. Currently the level of the EITC depends only on whether the family has one or two children. If a family has two adults or a third child, their benefits are no higher. One could adjust the EITC to increase both for additional adults and for additional children over two. But the cost would be significant, and I doubt it would have any effect on marriage. There are other strategies (such as allowing families to choose whether to file jointly or separately), but they often would have massive implications for the taxes and the treatment of income throughout the income distribution, and they often increase the opportunities for gaming the system by choosing in whose name income is credited.

In all things involving low income families and taxes, there are trade-offs. I think we have made the proper ones in the EITC and that it strongly supports working families. The penalties built into the welfare system are far more serious and deserve much closer attention--attention we are giving them as part of welfare reform.

Analysis of Estimated Effects on Fiscal Year Budget Receipts of the Revenue Provisions in the "Contract With America" (H.R. 6, H.R. 8, H.R. 9, H.R. 11)

**Prepared by the Staff
of the
Joint Committee on Taxation**

**February 6, 1995
JCX-4-95**

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INTRODUCTION

This document,[1] prepared by the staff of the Joint Committee on Taxation, provides information related to the estimated effects of the revenue provisions in the Contract With America (the "Contract") on budget receipts for fiscal years 1995-2005. The Contract was introduced by the House Leadership on January 4, 1995, and includes four bills that contain various tax proposals: H.R. 6 ("American Dream Restoration Act"); H.R. 8 ("Senior Citizens' Equity Act"); H.R. 9 ("Job Creation and Wage Enhancement Act"); and H.R. 11 ("Family Reinforcement Act").

There are 2 parts to this document. Part I of the document contains a brief overview of the revenue provisions in the Contract.[2] Part II is a discussion of assumptions relating to the Joint Committee on Taxation revenue estimates of the Contract tax provisions. An appendix provides a table of the estimated revenue effects of the Contract for fiscal years 1995-2005.

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[1] This pamphlet may be cited as follows: Joint Committee on Taxation, *Analysis of Estimated Effects on Fiscal Year Budget Receipts of the Revenue Provisions in the "Contract with America" (H.R. 6, H.R. 8, H.R. 9, H.R. 11)*, (JCX-4-95), February 6, 1995.

[2] For a more detailed description of present law and the tax proposals of the Contract, see Joint Committee on Taxation, *Description of Tax Proposals in the Contract With America* (JCS-1-95), January 9, 1995.

I. OVERVIEW OF REVENUE PROVISIONS IN THE CONTRACT WITH AMERICA

A. American Dream Restoration Act (H.R. 6)

1. Family tax credit (sec. 2 of the bill and sec. 35 of the Code)

The bill would provide taxpayers with a maximum refundable tax credit of $500 for each qualifying child. The credit would be phased out ratably for taxpayers with adjusted gross income ("AGI") over $200,000, and would be fully phased out at AGI of $250,000. In calendar years beginning after 1996, the maximum credit amounts and beginning point of the phaseout range would be indexed annually for inflation.

To be a qualifying child, an individual would have to satisfy a relationship test, a residency test, and an age test. The individual would satisfy the relationship test if the individual is a son, stepson, daughter, or stepdaughter of the taxpayer, a descendent of a son or daughter of the taxpayer, or a foster or adopted child of the taxpayer. An individual would satisfy the residency test if the individual has the same principal place of abode as the taxpayer for more than half the taxable year (the entire year for foster children). An individual would satisfy the age test if the individual has not attained the age of 18 as of the close of the calendar year in which the taxable year of the taxpayer begins.

The maximum amount of credit, regardless of the number of qualifying children, could not exceed an amount equal to the sum of: (1) the taxpayer's income tax liability (net of applicable credits), and (2) the taxpayer's Railroad Retirement Tier 1 tax and Social Security tax (SECA and the employee and employer share of FICA), less the taxpayer's allowable earned income tax credit.

The provision would be effective for taxable years beginning after December 31, 1995.

2. Credit to reduce the marriage penalty (sec. 3 of the bill and new sec. 23 of the Code)

Married couples who file a joint return and have a larger tax liability than if they were unmarried and filed individual returns would be eligible for a nonrefundable credit against their income tax liability. The amount of the credit would be determined by the Department of the Treasury so that the estimated reduction in revenues to the Treasury would not exceed $2 billion per fiscal year. In no event would the credit for a particular taxpayer be larger than the size of the marriage penalty the couple would face without the provision.

The provision would be effective for taxable years beginning after the date of enactment.

3. Establishment of American Dream Savings Accounts (sec. 4 of the bill and sec. 408A of the Code)

The bill would permit individuals to establish and maintain an American Dream Savings Account (ADS account) to which they can make nondeductible contributions. Contributions to an ADS account would be in addition to any contributions that can be made to an IRA under the present-law rules. An ADS account would be an IRA which is designated at the time of establishment as an ADS account. Qualified distributions from an ADS account would not be includible in income.

The maximum annual contribution that could be made to an ADS account would be the lesser of $2,000 or the individual's compensation for the year. In the case of a married couple, the aggregate compensation of the couple would be taken into account in determining the maximum permitted contribution. The $2,000 contribution limit would be adjusted annually for inflation beginning after 1996.

Qualified distributions from an ADS account would not be includible in gross income, nor subject to the additional 10-percent tax on early withdrawals. A qualified distribution would be a distribution (1) that is made after the 5-taxable year period beginning with the first taxable year in which the individual made a contribution to an ADS account, and (2) that is (a) made on or after the date on which the individual attains age 59-1/2, (b) made to a beneficiary (or to the individual's estate) on or after the death of the individual, (c) attributable to the individual's being disabled, or (d) a qualified special purpose distribution. Qualified special purpose distributions would be distributions for the purchase or acquisition of a principal residence of a first-time homebuyer, for higher education expenses of the taxpayer, the taxpayer's spouse, or the taxpayer's child or grandchild, for medical expenses, or for long-term care insurance premiums.

Distributions from an ADS account other than qualified distributions would be includible in gross income under the rules applicable to distributions from IRAs and subject to the 10-percent tax on early withdrawals.

Distributions from ADS accounts could be rolled over tax free to another ADS account. In addition, amounts withdrawn from an IRA could be rolled over to an ADS account after December 31, 1995, and before January 1, 1998. The amount otherwise includible in gross income due to the IRA distribution would be included in gross income ratably over the 4-taxable year period beginning with the taxable year in which the distribution is made. The early withdrawal tax would not apply to such rollovers.

The provision would be effective for taxable years beginning after December 31, 1995.

B. Senior Citizens' Equity Act (H.R. 8)

1. Repeal of increase in tax on social security benefits (secs. 86 and 871(a)(3) of the Code)

In general

The bill would phase in a repeal of the provision included in the Omnibus Budget Reconciliation Act of 1993 requiring certain taxpayers to include up to 85 percent of certain social security benefits in income.

For taxable years beginning after calendar year 1995, the amount of certain social security benefits required to be included in income would be calculated as under present law, except that the following rates would be substituted for "85 percent":

For taxable years beginning in calendar year:	*The percentage would be:*
1996	75 percent
1997	65 percent
1998	60 percent
1999	55 percent
2000 and thereafter	50 percent.

The bill would also phase in a reduction under the same schedule in the amount of social security or Railroad Retirement tier 1 benefits included in the gross income of a nonresident alien individual under the same schedule.

The provision would be effective for taxable years beginning after December 31, 1995.

2. Treatment of long-term care (secs. 301-305, and 307 of the bill and secs. 104, 106, 213, 807(d), 1035, and 4980B and new secs. 137 and 818A of the Code)

In general

The bill would provide that qualified long-term care insurance contracts that meet the requirements of the bill receive the tax treatment set forth in the bill. Other long-term care contracts would continue to be subject to present law.

Insurance company taxation

The bill would generally provide that, for purposes of the Internal Revenue Code rules relating to taxation of insurance companies, a qualified long-term care insurance contract would be treated as accident or health insurance. In determining reserves for insurance company taxation purposes, the reserve method for qualified long-term insurance contracts would be a 1-year full preliminary term method.

Exclusion for benefits provided under long-term care insurance; exclusion for employer-provided coverage

The bill would provide that benefits paid under a qualified long-term care insurance contract are excludable from gross income to the extent the benefits do not exceed $200 per day (indexed for inflation after 1995). The $200 limit is applied separately to each qualified long-term care contract. In addition, employer contributions for qualified long-term care insurance would be excludable from gross income. In applying the bill's $200 limit on daily coverage under a qualified long-term care insurance contract for purposes of this exclusion, all contracts provided to the employee by the same employer would be aggregated. The bill would not permit qualified long-term care coverage to be provided through a cafeteria plan.

Long-term care services treated as medical care

The bill would provide that expenses for qualified long-term care services are treated as expenses for medical care for purposes of the itemized deduction for medical expenses. Thus, under the bill, a taxpayer would be allowed an itemized deduction for unreimbursed qualified long-term care expenses to the extent that such expenses and other eligible medical expenses of the taxpayer exceed 7.5 percent of adjusted gross income.

In addition, under the bill, eligible medical expenses for purposes of the medical expense deduction would include premiums paid for qualified long-term care insurance to the extent they do not exceed the following amounts:

In the case of an individual with an attained age before the close of the taxable year of:	*The limitation is:*
Not more than 40	200
More than 40 but not more than 50	375
More than 50 but not more than 60	750
More than 60 but not more than 70	2,000
More than 70	2,500

Beginning after 1995, these dollar limits would be indexed for increases in the medical care cost component of the consumer price index.

<u>Exclusion from income for amounts withdrawn from IRAs and section 401(k) plans for long-term care insurance</u>

The bill would provide that distributions from individual retirement arrangements (IRAs) and qualified cash or deferred arrangements (sec. 401(k) plans) are excludable from gross income to the extent used to pay premiums on a qualified long-term care insurance contract. In the case of distributions from a section 401(k) plan, such tax treatment would apply only to distributions of elective deferrals. A section 401(k) plan would not fail to be a qualified cash or deferred arrangement merely because it permits distributions which are excludable from income under the bill.

The provisions generally would be effective for taxable years beginning after December 31, 1995.

3. Tax treatment of accelerated death benefits under life insurance contracts (sec. 306 of the bill and sec. 101 of the Code)

The bill would provide an exclusion from gross income for any amount paid or advanced to an individual under a life insurance contract if the insured under the contract is either (1) terminally ill or (2) chronically ill and confined to a qualified facility.

For this purpose, an individual would be considered terminally ill if a physician has certified that the individual has an illness or physical condition that reasonably can be expected to result in death within 12 months of the certification. A "chronically ill individual" would mean any individual who has been certified by a licensed health care practitioner as (1) being unable to perform (without substantial assistance) at least two activities of daily living for a period of at least 90 days due to a loss of functional capacity, (2) having a level of disability (as determined by the Department of the Treasury in consultation with the Department of Health and Human Services) similar to the level of disability described in (1), or (3) having a similar level of disability due to cognitive impairment.

The provision would apply to taxable years beginning after December 31, 1995.

C. Job Creation And Wage Enhancement Act (H.R. 9)

1. Capital gains reforms (Title I of the bill)

a. 50-percent capital gains deduction (sec. 1001 of the bill and secs. 1201 and 1202 of the Code)

The bill would allow all taxpayers (both individual and corporate) a deduction equal to 50 percent of net capital gain for the taxable year. The bill would repeal the present-law maximum 28-percent rate. Thus, the effective rate on the net capital gain of an individual in the highest (i.e., 39.6 percent) rate bracket would be 19.8 percent, and the effective rate for a corporation in the 35-percent bracket would be 17.5 percent.

The bill would repeal the provisions in the Revenue Reconciliation Act of 1993 providing a capital gain exclusion for sales of certain small business stock.

The bill would reinstate the rule in effect prior to the Tax Reform Act of 1986 that required two dollars of the long-term capital loss of an individual to offset one dollar of ordinary income. The $3,000 limitation on the deduction of capital losses against ordinary income would continue to apply.

The provision generally would apply to taxable years ending after December 31, 1994. For a taxpayer's 1994-95 fiscal year or for the 1995 calendar year of a taxpayer holding interests in one or more 1994-95 fiscal year pass-thru entities, the 50-percent capital gains deduction would apply to the lesser of (1) the net capital gain for the taxable year, or (2) the net capital gain determined by taking into account gain or loss properly taken into account for the portion of the taxable year on or after January 1, 1995.

b. Indexing of basis of certain assets for purposes of determining gain or loss (sec. 1002 of the bill and new sec. 1022 of the Code)

The bill generally would provide for an inflation adjustment to (i.e., indexing of) the basis of certain assets (called "indexed assets") for purposes of determining gain or loss upon a sale or other disposition of such assets. Assets the basis of which would be eligible for the inflation adjustment generally would include corporate stock and tangible property that are capital assets or property used in a trade or business and are held by the taxpayer for more than one year. The inflation adjustment would be measured by increases in the Gross Domestic Product ("GDP") deflator occurring after December 31, 1994, regardless of whether the asset was acquired by the taxpayer prior to that date.

Special rules would be provided in the case of regulated investment companies (RICs), real estate investment trusts (REITs), partnerships, S corporations, foreign corporations, short sales, sales to related persons, and collapsible corporations.

The provisions would apply to dispositions of property after December 31, 1994, in taxable years ending after that date.

c. Capital loss deduction allowed with respect to sale or exchange of a principal residence (sec. 1003 of the bill and sec. 165 of the Code)

The bill would provide that losses from the sale or exchange of a principal residence would be treated as a deductible capital loss rather than a nondeductible personal loss.

The provision would be effective for sales and exchanges after December 31, 1994, in taxable years ending after such date.

2. Neutral cost recovery (Title II of the bill and secs. 56 and 168 of the Code)

For MACRS property placed in service after December 31, 1994, the bill would allow a taxpayer to elect, on a property-by-property basis, to determine depreciation deductions under present law or under a new neutral cost recovery system (NCRS). NCRS generally would follow MACRS but would replace the 200-percent declining balance method of MACRS with the 150-percent declining balance method. In addition, depreciation for any taxable year after the year in which the property is placed in service would be determined by multiplying the deduction allowable for the property for the taxable year (determined without regard to this provision) by the "applicable neutral cost recovery ratio" for the year.

In the case of property that would otherwise qualify for the 200-percent declining balance method (but for the election to use NCRS), the applicable neutral cost recovery ratio for the year would be first determined by dividing (1) the GDP deflator for the calendar quarter ending in such taxable year which corresponds to the calendar quarter during which the property was placed in service by the taxpayer by (2) the GDP deflator for the calendar quarter during which the property was placed in service by the taxpayer. This ratio would then be multiplied by the number equal to 1.035 to the nth power, where "n" is the number of full years in the period beginning on the first day of the calendar quarter during which the property was placed in service and ending on the day before the beginning of the corresponding calendar quarter ending during the taxable year. In the case of other MACRS property (e.g., longer-lived property and property to which the alternative depreciation system applies), the applicable neutral cost recovery ratio for the year would be determined by dividing (1) the GDP deflator for the calendar quarter ending in such taxable year which corresponds to the calendar quarter during which the property was placed in service by the taxpayer by (2) the GDP for the calendar quarter during which the property was placed in service by the taxpayer. For any property, the applicable neutral cost recovery ratio may not be less than 1 and would be rounded to the nearest one-thousandth.

The applicable neutral cost recovery ratio also would be applied for purposes of determining depreciation under the alternative minimum tax (including the adjusted current earnings adjustment of the corporate alternative minimum tax).

The provision would be effective for qualifying property placed in service after December 31, 1994.

3. Public debt reduction checkoff and trust fund (Title XI of the bill and new secs. 6097 and 9512 of the Code)

Individual taxpayers would be allowed to designate an amount up to 10 percent of their Federal income tax liability for a taxable year to be earmarked to reduce the Federal public debt. Under the bill, amounts earmarked by taxpayers to reduce the public debt would be transferred into a Public Debt Reduction Trust Fund ("Trust Fund"), which would be used only to retire or purchase Federal securities. If Congress did not enact specific spending cuts equal to the estimated amounts designated by taxpayers for debt reduction, then an across-the-board sequestration would be triggered (other than for certain payments such as social security).

The provision would be effective for taxable years ending after the date of enactment, and would remain in effect until the entire outstanding Federal public debt is retired.

4. Small business incentives (Title XII of the bill)

a. Increase in unified estate and gift tax credits (sec. 12001 of the bill and secs. 2001(c), 2010, 2102(c)(3), 2505(a) and 6018(a) of the Code)

The bill would gradually increase the present-law unified estate and gift tax credit of $192,800 to $248,300 over a three-year period beginning in 1996. For decedents dying and gifts made in 1996, the unified credit would be $229,800 (i.e., the amount that would effectively exempt $700,000 in taxable transfers from the estate and gift tax). For decedents dying and gifts made in 1997, the unified credit would be $239,050 (i.e., the amount that would effectively exempt $725,000 in taxable transfers from the estate and gift tax). For decedents dying and gifts made after 1997, the unified credit would be $248,300 (i.e., the amount that would effectively exempt $750,000 in taxable transfers from the estate and gift tax). After 1998, the unified credit would be indexed for inflation each year by multiplying the applicable exclusion amount of $750,000 by a cost of living adjustment.

Conforming amendments to reflect the increased unified credit would be made (1) to the 5-percent surtax in order to permit the proper phase out of the increased unified credit, (2) to the general filing requirements for an estate tax return under section 6018(a), and (3) to the amount of the unified credit allowed under section 2102(c)(3) with respect to nonresident aliens with U.S. situs property who are residents of certain treaty countries.

The provision would apply to the estates of decedents dying, and gifts made, after December 31, 1995.

b. Increase in expensing treatment for small businesses (sec. 12002 of the bill and sec. 179 of the Code)

The bill would increase the $17,500 amount allowed to be expensed under Code section 179 to $25,000. The provision would be effective for property placed in service in taxable years beginning after December 31, 1995.

c. Clarification of definition of principal place of business; Treatment of storage of product samples (secs. 12003 and 12004 of the bill and sec. 280A of the Code)

The bill would amend present-law section 280A to provide specifically that a home office qualifies as the "principal place of business" if (1) the office is the location where the taxpayer's essential administrative or management activities are conducted on a regular and systematic (and not incidental) basis by the taxpayer, and (2) the office is necessary because the taxpayer has no other location for the performance of the administrative or management activities of the business. As under present law, deductions would be allowed for a home office meeting the above two-part test only if the office is used exclusively as a place of business by the taxpayer, and in the case of an employee, only if such exclusive use is for the convenience of the employer.

In addition, the bill would clarify that the special rule contained in present-law section 280A(c)(2) permits deductions for expenses related to a storage area in a taxpayer's home regularly used for inventory or product samples (or both) of the taxpayer's trade or business of selling products at retail or wholesale, provided that the home is the sole fixed location of such trade or business.

The provision would apply to taxable years beginning after 1995.

D. Family Reinforcement Act (H.R. 11)

1. Refundable credit for adoption expenses (sec. 101 of the bill and sec. 35 of the Code)

The bill would provide taxpayers with a maximum refundable tax credit of $5,000 per child for qualified adoption expenses paid or incurred by the taxpayer. Qualified adoption expenses would be reasonable and necessary adoption fees, court costs, attorneys' fees and other expenses that are directly related to the legal adoption of a child. No credit would be allowed for expenses incurred in connection with the violation of State or Federal law, any surrogate parenting arrangement, or the adoption of a child of the taxpayer's spouse. The credit would be phased out ratably for taxpayers with adjusted gross income (AGI) above $60,000 and would be fully phased out at $100,000 of AGI.

The provision would be effective for taxable years beginning after December 31, 1995.

2. Refundable credit for custodial care of certain elderly dependents in taxpayer's home (sec. 201 of the bill and new sec. 36 of the Code)

The bill would provide taxpayers who maintain a household including one or more "qualified persons" with a refundable credit of $500 for each qualified person.

To be a "qualified person," an individual would have to pass a relationship test, a residency test and a disability test. The individual would satisfy the relationship test if the individual is a (1) father, stepfather, mother or stepmother of either the taxpayer, the taxpayer's spouse or the taxpayer's former spouse, or (2) a father, stepfather, mother or stepmother of one of the people described in (1). An individual would satisfy the residency test if the individual has the same principal place of abode as the taxpayer for more than half of the taxable year. An individual would satisfy the disability test if the individual is certified by a physician as being unable to perform at least two activities of daily living without substantial assistance from another individual.

The provision would be effective for taxable years beginning after December 31, 1995.

II. DISCUSSION OF ASSUMPTIONS RELATING TO THE JOINT COMMITTEE ON TAXATION REVENUE ESTIMATES OF THE CONTRACT WITH AMERICA

A. Relevant Assumptions Made with Respect to Revenue Provisions Contained in the Contract With America

<u>In general</u>

A number of the revenue provisions in the Contract With America are assumed to have relatively small effects on taxpayer behavior. For example, the family tax credit is not assumed to have any substantial effect on taxpayer behavior; thus, it is not assumed that the family tax credit will result in more taxpayers having children. Similarly, taxpayer behavior is not a significant component of the estimate of the effect of repealing the tax increase on certain social security benefits. Other provisions in the Contract With America that are not expected to involve significant changes in taxpayer behavior include the following: (a) the capital loss deduction on the sale of a principal residence; (b) increases in the unified estate and gift tax credit; (c) the tax credit for custodial care of certain elderly dependents; and (d) modifications to the home office deduction.

It is assumed for estimating purposes that the adoption tax credit will result in some increase in the number of adoptions.

<u>American Dream Savings Accounts</u>

The American Dream Savings ("ADS") account revenue estimate has the following three components: (a) the revenue loss attributable to excluding earnings of ADS accounts from tax; (b) the short-term revenue gain associated with rollovers from conventional Individual Retirement Arrangements ("IRAs"); and (c) the revenue effects attributable to the special purpose withdrawal provisions.

Earnings on ADS account balances are not subject to income tax at the time earned nor subject to tax at the time withdrawals are made from the account upon the occurrence of specified events. Reductions in taxes paid on interest earnings are included in the estimate, to the extent that the interest would have been earned on a taxable savings accounts. Thus, a principal revenue effect of the provision, particularly over the long term, is the revenue loss that occurs because taxpayers contribute amounts to ADS accounts that otherwise would have been invested in taxable savings. It is assumed that, in most cases, particularly at higher income levels, typical savings patterns are not altered by the introduction of the ADS account except for this shifting between taxable and nontaxable savings. To the extent that ADS accounts result in savings that would not have otherwise occurred, there is no revenue loss attributable to such new savings because they do not represent losses relative to the revenue baseline.

Rollovers from IRAs are permitted during the first two years after introduction of the ADS account. Taxable amounts withdrawn from IRAs are ratably includible in income during the four tax years following the withdrawal. It is assumed for estimating purposes that some taxpayers will utilize this rollover option. Rollovers to ADS accounts represent a revenue increase, to the extent that taxpayers incur higher tax liabilities than they would in the absence of the rollovers.

A small revenue loss is included for amounts transferred from conventional IRAs because withdrawals from ADS accounts can be made for special purpose withdrawals (i.e., withdrawals for first-time home purchase, educational expense, or catastrophic health costs). It is assumed that some taxpayers who would have withdrawn amounts from their IRAs and paid the 10-percent early withdrawal tax will roll over their IRA balances to ADS accounts and withdraw the amounts, without penalty, for special purpose withdrawals. This revenue effect represents the loss attributable to the 10-percent additional tax on early withdrawals and is reflected outside the five-year budget period.

Long-term care provisions

The estimate of the long-term care provisions is based on several assumptions. First, it is assumed that the provision allowing individuals to deduct long-term care insurance premiums under certain conditions will result in an increase in the purchase of long-term care insurance policies. Second, it is assumed that the general clarification of the tax treatment of long-term care and the specific provision allowing individuals to deduct expenses related to long-term care needs will result in an increase in the consumption of services provided by paid caregivers. Third, it is assumed that the provision allowing tax-free exchanges of life insurance policies will increase the purchases of additional life insurance policies and that the provision allowing withdrawals from IRAs and section 401(k) plans will result in an increase in the utilization of these tax-favored savings vehicles.

Neutral cost recovery

Two behavioral effects were included in the revenue estimate for the neutral cost recovery system ("NCRS"). First, under NCRS, taxpayers may elect present-law cost recovery on a property-by-property basis. The NCRS estimate assumes that taxpayers will make this election when the underlying property (a) qualifies for the present-law 200-percent declining balance method and (b) the property is expected to be held for a short period of time. For example, it is assumed that taxpayers may, in many cases, prefer present-law depreciation for certain business cars and computers. Furthermore, taxpayers who have immediate cash-flow limitations may also elect out of NCRS in favor of present-law treatment. Second, the estimate assumes that existing depreciable assets will experience an increase in turnover (i.e., sale or other disposition) in order to take advantage of the indexing feature of NCRS. This turnover (i.e., sale or other disposition) produces additional revenue in the near term as a result of taxable gains on the sale of depreciable property, and it produces additional revenue loss in the out years as depreciation deductions are increased.

Expensing

The expensing estimate assumes that taxpayers will generally elect to expense qualifying property when possible. This election generates a speed up in depreciation deductions. As a result, the revenue losses diminish after the initial years under the proposal due to the offsetting effect of no depreciation deductions in later years for properties that have previously been expensed.

Capital gains

The estimates of the proposed changes in the taxation of capital gains requires adjustment of the CBO baseline forecast of capital gains to incorporate the behavioral changes anticipated by these proposals. These behavioral changes include induced realizations from the proposals' "unlocking effect" (i.e., that taxpayers will sell assets that would not have been sold in the absence of a reduction in the rate of tax on capital gains) and the ability of taxpayers to convert ordinary income to capital gains (the portfolio effect). The magnitude of this adjustment for behavioral changes is large. For example, the 50-percent capital gains deduction is estimated to cause more than a 50-percent surge in total baseline gains realized in the fiscal year 1995-2000 budget period.

B. Potential Macroeconomic Effects of the Contract With America Revenue Provisions

The tax provisions of the Job Creation and Wage Enhancement Act (H.R.9) would generally increase the after-tax rate of return on capital, which would thereby promote increases in saving and investment. The resulting enhancement of the capital stock can be expected to increase economic productivity, providing for an increase in the rate of growth of the economy. As these increases in productivity and economic growth accumulate over time, they will lead to a gradual expansion of the taxable income base, generating additional tax revenues. These effects would be most pronounced in the capital gains reform and the Neutral Cost Recovery system proposals. However, the magnitude of the economic expansion and the speed at which it would take place are subject to widely varying estimates.

The provisions in the "American Dream Restoration Act" (H.R.6) may also be expected to have some effect on the long-run growth of the economy. The $500 per child tax credit is likely to reduce the supply of labor to the economy because the amount of the tax benefit afforded to most families is independent of their amount of work effort. The additional after-tax income afforded by the benefit may allow some family members to reduce their work effort. This provision would likely result in a small reduction in the supply of labor, which would be expected to reduce the rate of growth of the economy, resulting in a contraction of the tax base and a slight reduction in Federal individual income tax revenues. The refundable credit for custodial care of certain elderly dependents could be expected to have a similar small effect on the economy.

The "marriage penalty" credit, which may reduce the marginal tax rate on the earnings of the second earner of the couple, may cause the second earner to be willing to work more, thus increasing the supply of labor to the economy. At this time, the proposal is not sufficiently detailed to provide information about its effect on the marginal tax rate of the second earner. However, the amount of the tax savings per household is so small that it is likely that any such effect would be negligible for the economy as a whole.

The American Dream Savings account provision can be expected to increase the after-tax return to a portion of a household's savings. Therefore, it might be expected to induce new savings, resulting in the eventual growth in the economy described above with respect to the Job Creation and Wage Enhancement Act. The experience with the extent to which IRAs promote new savings should be instructive in examining whether ADS accounts will have a similar effect. Numerous studies have attempted to measure the extent to which IRAs have contributed to an increase in overall savings, but the results of these studies have been inconclusive. ADS accounts might be expected to be more likely to promote new savings because the withdrawal provisions are less restrictive than the IRA withdrawal provisions. However, it is anticipated that in most cases these accounts would be established with existing savings, or savings that would have occurred in any event. If that is the case, then the amount of new savings induced by this proposal is likely to be small, and the proposal's effect on the rate of growth of the economy and future tax revenues would be correspondingly small.

In general, the provisions in the other portions of the Contract with America would not be expected to affect the rate of growth of GDP. The tax savings that are provided under these provisions are generally sufficiently small that they are unlikely to affect significantly either the supply of labor or the supply of capital to the economy.

It is reasonable to expect that all of the revenue provisions in the Contract With America could have cyclical impacts on GDP. Most of these provisions will result in an increase in taxpayer disposable income. By affecting disposable income, these provisions would produce increases in aggregate demand that could generate a temporary expansion of the economy. The magnitude and duration of these cyclical effects would be highly dependent on the degree to which the Federal Reserve Board's monetary policies accommodate or offset these demand effects.

Joint Committee on Taxation
6-Feb-95

APPENDIX. - -
ESTIMATED REVENUE EFFECTS OF THE TAX PROVISIONS CONTAINED IN THE "CONTRACT WITH AMERICA"
(H.R. 6, H.R. 8, H.R. 9, AND H.R. 11)

Fiscal Years 1995 - 2005 [1]

(Billions of Dollars)

Provision	Effective	1995	1996	1997	1998	1999	2000	1995-00	2001	2002	2003	2004	2005	1995-05
I. American Dream Restoration Act (H.R. 6)														
A. Family Tax Credit (section 2)	1/1/96	---	-5.2	-26.0	-26.9	-29.4	-29.9	-117.5	-30.9	-33.8	-35.0	-38.2	-39.6	-285.1
B. Credit to Reduce the Marriage Penalty (section 3)	tyba DoE	---	-0.2	-2.0	-2.0	-2.0	-2.0	-8.2	-2.0	-2.0	-2.0	-2.0	-2.0	-18.2
C. Establishment of American Dream Savings Accounts (section 4)	1/1/96	---	1.2	1.7	1.0	0.2	-2.0	2.2	-4.4	-4.2	-5.0	-5.7	-6.7	-23.9
TOTAL, H.R. 6		---	-4.2	-26.3	-27.9	-31.2	-33.9	-123.5	-37.3	-40.0	-42.0	-45.9	-48.3	-337.2
II. Senior Citizens' Equity Act (H.R. 8)														
A. Repeal of Increase in Tax on Social Security Benefits (Title II)	1/1/96	---	-0.5	-1.9	-3.2	-4.3	-5.6	-15.6	-6.7	-7.4	-8.1	-8.9	-9.7	-56.3
B. Treatment of Long-Term Care (sections 301-305, and 307)	1/1/96	---	-0.8	-0.9	-1.0	-1.2	-1.4	-5.4	-1.7	-2.0	-2.3	-2.6	-3.0	-16.9
C. Tax Treatment of Accelerated Death Benefits under Life Insurance Contracts (section 306)	1/1/96	---	[2]	[2]	[2]	[2]	[3]	-0.1	[3]	-0.1	-0.1	-0.2	-0.2	-0.9
TOTAL, H.R. 8		---	-1.3	-2.8	-4.2	-5.5	-7.1	-21.1	-8.5	-9.5	-10.5	-11.7	-12.9	-74.1
III. Job Creation and Wage Enhancement Act (H.R. 9)														
A. Capital Gains Reforms (Title I)														
1. 50-percent capital gains deduction (section 1001):														
a. Individual	1/1/95	0.4	2.3	-2.6	-6.6	-7.3	-7.9	-21.7	-8.6	-9.4	-10.3	-11.2	-12.2	-73.4
b. Corporate	1/1/95	-1.2	-2.6	-2.7	-2.8	-2.9	-2.9	-15.1	-2.9	-3.0	-3.0	-3.1	-3.1	-30.3

Provision	Effective	1995	1996	1997	1998	1999	2000	1995-00	2001	2002	2003	2004	2005	1995-05
2. Indexing of basis of certain assets for purposes of determining gain or loss (section 1002)	1/1/95	-0.2	-0.8	-1.4	-2.2	-2.9	-3.7	-11.2	-4.6	-5.6	-6.7	-7.9	-9.2	-45.2
3. Capital loss deduction allowed with respect to sale or exchange of principal residence (section 1003)	1/1/95	---	-0.1	-0.1	-0.1	-0.2	-0.2	-0.7	-0.2	-0.2	-0.2	-0.2	-0.2	-1.6
4. Interaction among provisions [4]	1/1/95	-0.2	-0.6	-0.8	-0.9	-1.2	-1.5	-5.2	-1.9	-2.4	-2.9	-3.4	-4.0	-19.8
B. Neutral Cost Recovery (Title II)	ppisa 12/31/94	1.2	9.2	10.0	6.3	-1.2	-8.8	16.7	-14.2	-18.1	-21.3	-24.3	-27.5	-88.8
C. Public Debt Reduction Checkoff and Trust Fund Title XI)	tyba DoE	No Revenue Effect												
D. Small Business Incentives (Title XII)														
1. Increase in unified estate and gift tax credits (section 12001)	1/1/96	---	---	-1.4	-1.6	-1.8	-2.0	-6.8	-2.2	-2.5	-2.8	-3.1	-3.5	-20.7
2. Increase in expense treatment for small businesses (section 12002)	tyba 12/31/95	---	-0.8	-1.2	-0.8	-0.6	-0.4	-3.8	-0.3	-0.2	-0.1	-0.1	[2]	-4.5
3. Clarification of definition of principal place of business; Treatment of storage of product samples (sections 12003 and 12004)	tyba 12/31/95	---	-0.1	-0.2	-0.1	-0.2	-0.2	-0.7	-0.2	-0.2	-0.2	-0.2	-0.2	-1.6
TOTAL, H.R. 9 [5]		---	6.5	-0.4	-8.8	-18.9	-27.6	-48.5	-35.1	-41.6	-47.5	-53.5	-59.9	-285.9
IV. Family Reinforcement Act (H.R. 11)														
A. Refundable Credit for Adoption Expenses (section 101)	1/1/96	---	[2]	-0.3	-0.3	-0.3	-0.3	-1.3	-0.3	-0.3	-0.3	-0.3	-0.3	-3.0
B. Refundable Credit for Custodial Care of Certain Elderly Dependents in Taxpayer's Home (section 201)	1/1/96	---	-0.1	-0.5	-0.4	-0.4	-0.4	-1.9	-0.5	-0.5	-0.5	-0.5	-0.5	-4.2
TOTAL, H.R. 11		---	-0.1	-0.8	-0.7	-0.7	-0.7	-3.2	-0.8	-0.8	-0.8	-0.8	-0.8	-7.2
NET TOTALS (H.R. 6, H.R. 8, H.R. 9, H.R. 11) [6]		---	0.9	-30.4	-41.6	-55.7	-69.2	-196.3	-81.7	-91.9	-100.8	-111.9	-121.9	-704.4

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

[Legend and Footnotes appear on following page]

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Legend and Footnotes for JCX-4-95:

Legend for "Effective" column: tyba DoE = taxable years beginning after date of enactment
ppisa = property placed in service after
tyba = taxable years beginning after

[1] Because reliable macroeconomic forecasts are not available for years beyond 2000, estimates for fiscal years 2001 - 2005 should be considered less reliable.
[2] Loss of less than $50 million.
[3] Loss of less than $100 million.
[4] This line represents an adjustment to the revenue estimate which results when all of the capital gains provisions are estimated together as an entire package.
[5] Total represents sum of proposed changes in the tax law referred to the Committee on Ways and Means, but does not include effects of provisions referred to other committees.
[6] Total does not include possible interaction among the provisions of the four bills.