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REPORT BY SECRETARY OF DEFENSE

SEC. 302. The Secretary of Defense shall transmit to the Congress each year, not later than January 31, a report analyzing the status of women in the armed forces of the United States during the preceding calendar year. The Secretary shall include in such report—

(1) detailed information, by armed force, on (A) the number of women serving on active duty and in the reserve forces, (B) the distribution of women by grade, (C) the number of promotions by grade received by women, (D) the distribution of women by military specialty held by women, and (E) the types of duty assignments held by women and the number in each; and

(2) detailed information on any discrimination which exists in the armed forces based solely on sex and recommendation for any action necessary to eliminate such discrimination.

TITLE IV—ESTATE TAX ON AGRICULTURAL PROPERTY AND FARM LOANS

INCREASE IN UNIFIED CREDIT

SEC. 401. (a) CREDIT AGAINST ESTATE TAX.—

(1) IN GENERAL.—Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 2010 is repealed.

(B) Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended—

(i) by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$600,000",

(ii) by striking out paragraph (3), and

(iii) by redesignating paragraph (4) as paragraph (3).

(b) CREDIT AGAINST GIFT TAX.—

(1) IN GENERAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 2505 is amended to read as follows:

"(b) PHASE-IN OF CREDIT.—

"In the case of gifts made in:	Subsection (a)(1) shall be applied by substituting for '$192,800' the following amount:
1981	$47,000
1982	70,800
1983	96,300
1984	121,800.".

(c) EFFECTIVE DATES.—The amendments made—

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1980, and

(2) by subsection (b) shall apply to gifts made after such date.

VALUATION OF CERTAIN FARM AND OTHER BUSINESS REAL PROPERTY

SEC. 402. (a) DEFINITION OF QUALIFIED REAL PROPERTY.—Subsection (b) of section 2032A of the Internal Revenue Code of 1954 (defining qualified real property) is amended by adding at the end thereof the following new paragraphs:

"(4) RETIRED AND DISABLED DECEDENTS.—

"(A) IN GENERAL.—If, on the date of death of the decedent, the decedent did not otherwise meet the requirements of paragraph (1)(C) with respect to any property, and the decedent—

"(i) was eligible to receive old-age benefits under title II of the Social Security Act, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C) shall be applied by substituting 'the date on which the decedent became eligible to receive old-age benefits under title II of the Social Security Act or became disabled' for 'the date of the decedent's death'.

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(5) SPECIAL RULE FOR SPOUSES WHO ARE QUALIFIED HEIRS.—In the case of any qualified real property which was acquired by a qualified heir who is the spouse of the decedent and which does not otherwise meet the requirements of paragraph (1)(C) upon the death of such spouse, such real property shall be treated as meeting the requirements of paragraph (1)(C) if such spouse was engaged in the active management of the operation of the business at all times during—

"(A) the 10-year period ending on the date of death of the spouse, or

"(B) the period beginning on the date of death of the decedent and ending on the date of death of the spouse.".

(b) CESSATION OF QUALIFIED USE.—

(1) IN GENERAL.—Paragraph (7) of section 2032A(c) of the Internal Revenue Code of 1954 (defin-

ing cessation of qualifed use), is amended to read as follows:

"(7) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—Real property shall cease to be used for the qualified use if—

"(i) such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the property qualified under subsection (b), or

"(ii) except as provided in subparagraph (B), during any period of 8 years ending after the date of the decedent's death and before the date of the death of the qualified heir, there has been periods aggregating 3 years or more during which—

"(I) in the case of periods during which the property was held by the decedent (other than periods during which the decedent was an individual described in subsection (b)(4)(A) (i) or (ii)), there was no material participation by the decedent or any member of the family in the operation of the farm or other business, and

"(II) in the case of periods during which the property was held by any qualified heir, there was no material participation by such qualified heir or any member of his family in the operation of the farm or other business.

"(B) 15-YEAR ACTIVE MANAGEMENT.—If an eligible qualified heir elects, at such time and in such manner as the Secretary may prescribe, to have the provisions of this subparagraph apply to any real property—

"(i) the provisions of clause (ii) of subparagraph (A) shall not apply to such property, and

"(ii) such property shall cease to be used for the qualified use if the fiduciary or the eligible qualified heir or any member of his family did not take part in the active management of the farm or other business at all times during the period beginning on the date of death of the decedent and ending on the earlier of—

"(I) the date of death of the qualified heir, or

"(II) the date which is 15 years from the date of death of the decedent.

"(C) Eligible qualified heir.—For purposes of this paragraph, the term 'eligible qualified heir' means—

"(i) any qualified heir with respect to real property the qualified use for which is a farming purpose described in subparagraph (C) of subsection (e)(5), and

"(ii) in any other case, a qualified heir who, on the date of death of the decedent—

"(I) is the spouse of the decedent,

"(II) has not attained the age of 21,

"(III) is a student described in subparagraph (A) or (B) of section 1519(e)(4), or

"(IV) was disabled (within the meaning of subsection (b)(4)(B)) for a continuous period ending on such date.".

(2) Conforming amendment.—Subsection (e) of section 2032A of such Code (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions).".

(c) REPEAL OF $500,000 LIMITATION.—Subsection (a) of section 2032A of the Internal Revenue Code of 1954 (relating to value based on use under which property qualifies) is amended to read as follows:

"(a) VALUE BASED ON USE UNDER WHICH PROPERTY QUALIFIES.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States; and

"(2) the executor elects the application of this section and files the agreement referred to in subsection (d)(2),

then, for purposes of this chapter, the value of qualified real property shall be its value for the use under which it qualified, under subsection (b), as qualifies real property.".

(d) CLARIFICATION OF RENTAL TO FAMILY MEMBERS.—Subsection (b) of section 2032A of the Internal Revenue Code of 1954 (defining qualified real property) is amended by inserting "by the decedent or member of the decedent's family" after "qualified use" each place it appears in paragraph (1).

INTEREST RATE ON EXTENDED PAYMENTS OF ESTATE TAXES

SEC. 403. Section 6601 of the Internal Revenue Code of 1954 (relating to interest on underpayment, nonpayment, or extension of time for payment of tax) is amended by—

(1) redesignating subsection (k) (relating to no interest on certain adjustments) as subsection (l), and

(2) adding immediately after subsection (j) a new subsection (k) to read as follows:

"(k) INTEREST RATE ON PORTION OF ESTATE TAX EXTENDED UNDER SECTION 6166.—

"(1) IN GENERAL.—If the time for payment of an amount of tax imposed by chapter 11 is extended as provided in section 6166, interest on the portion of such amount which does not qualify for the 4-percent rate under subsection (j), shall (in lieu of the annual rate provided by subsection (a)) be paid at a rate determined under paragraph (2). For purposes of this subsection, the amount of any deficiency which is prorated to installments payable under section 6166 shall be treated as an amount of tax payable in installments under such section.

"(2) INTEREST RATE.—The rate of interest under this subsection shall be the lesser of—

"(A) 6 percent, or

"(B) a rate determined in the same manner as under section 6621 except that subsection (c) thereof shall be applied by substituting '75 percent' for '90 percent'.

The rate determined under subparagraph (B) shall not be less than 4 percent.

"(3) TREATMENT OF PAYMENTS.—In any case where this subsection and subsection (j) apply with respect to the amount of tax imposed by chapter 11 which is extended as provided in section 6166, any payment of a portion of such amount shall be allocated to the 4-percent portion in accordance with paragraph (3) of subsection (j) and any remaining amount shall be treated, for purposes of computing interest for periods after such payment, as reducing the amount to which this subsection applies.", and

(3) striking out "For purposes of this subsection," in paragraph (2) of subsection (j) and inserting in lieu thereof "For purposes of this subsection and subsection (k),".

FARM LOANS

SEC. 404. The second sentence of section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)) is amended by striking out "are married or".

TITLE V—NONDISCRIMINATION IN INSURANCE

SHORT TITLE

SEC. 501. This title may be cited as the "Nondiscrimination in Insurance Act".

FINDINGS AND POLICY

SEC. 502. (a) The Congress finds that discrimination based on race, color, religion, sex, or national origin, by any insurer which is engaged in commerce or whose activities affect commerce, in connection with any application for, or the terms, conditions, rates, benefits, or requirements of insurance policies and contracts (including annuity or pension contracts) (1) burdens the commerce of the Nation, (2) impairs the economic welfare of large numbers of people who rely on the protection of such policies and contracts, (3) constitutes an unfair trade practice which adversely affects commerce, and (4) makes it difficult for employers to comply with Federal laws prohibiting such discrimination against their employees.

(b) The Congress therefore declares that it is the policy of the United States that no insurer shall, on the basis of the race, color, religion, sex, or national origin of any individual or group of persons, (1) refuse to make insurance available to any applicant for insurance, (2) with respect to insurance contracts to which this title applies, treat any such applicant or insured differently than any other applicant or insured with respect to the terms, conditions, rates, benefits, or requirements of any such insurance contract, or (3) commit any other discriminatory action prohibited by this title. It is further the policy of the Congress that this title shall not affect the responsibility and authority of States to regulate the business of insurance, or any regulation or order of any State agency concerning or applicable to the business of insurance, if such regulation or order is consistent with and does not prevent compliance with this title.

DEFINITIONS

SEC. 503. For purposes of this title—

(1) The term "commerce" means trade, traffic, commerce, transportation, transmission, or communication between a place in a State and any place outside thereof; or within the District of Columbia or a territory or possession of the United States; or between points in the same State but through a point outside thereof.

(2) The term "discriminatory action" means action by an insurer which is unlawful under this title and contrary to the policy stated in section 502.

(3) The term "insurance" means any arrangement (whether by contract, policy, binder, reinsurance, or otherwise) whereby an insurer (including any governmental agency) will provide benefits (whether by reim-

bursement, periodic or lump-sum payments, or otherwise) in case specified events occur in connection with death, disability, medical conditions, attainment of specified age, retirement from employment, economic loss, theft, or other events customarily dealt with in insurance policies and contracts (including annuity or pension contracts) relating to life, accident and casualty, theft, retirement, liability, health, disability, or economic loss.

(4) The term "insured" means any person who is insured under, or is or may be an applicant for insurance under, a contract of insurance issued or to be issued by the insurer.

(5) The term "insurer" means any person (A) who provides insurance to others or otherwise engages in the business of insurance and (B) whose activities (i) affect commerce, (ii) utilize facilities of the United States Postal Service, (iii) utilize any facilities used in commerce by any person, or (iv) result in a discriminatory action carried on under color of any law, statute, ordinance, or regulation, or required, permitted, or sanctioned, or supported with funds provided, by the United States, any State or political subdivision, or any agency or officer thereof; and includes such person's agent.

(6) The term "activities affect commerce" means any activity which directly or indirectly relates to, impinges upon, or involves any activity in commerce, and includes any governmental activity.

(7) The term "person" includes one or more individuals, governments, and agencies of the United States or of any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries.

(8) The term "sex" means the gender of the insured and includes pregnancy, childbirth, or related medical conditions of a female insured, except that nothing in this title shall be deemed to amend section 701(k) of the Civil Rights Act of 1964.

(9) The term "State" includes a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

UNLAWFUL DISCRIMINATORY ACTIONS

SEC. 504. (a) It shall be unlawful discriminatory action for any insurer, because of the race, color, religion, sex, or national origin of any person or any group of persons, to do any of the following with respect to any person who after the effective date of this title applies or may apply for a contract of insurance or is an insured under a contract of insurance made after the effective date of this title—

(1) to refuse to make, or to refuse to negotiate, or otherwise make unavailable or deny, or delay receiving and processing an application for, a contract of insurance of the type ordinarily made by such insurer; and

(2) to treat such applicant or insured differently than the insurer treats or would treat any other applicant or insured with respect to the terms, conditions, rates, benefits, or requirements of such insurance contract.

(b) It shall be an unlawful discriminatory action for any insurer—

(1) to utilize any statistical table (whether of mortality, life expectancy, morbidity, disability, disability termination, or losses) or any other statistical compilation as a basis for any action which is contrary to this section;

(2) to discriminate in any manner against any person because such person has opposed any practice made unlawful by this title or because such person has made a charge, testified, assisted, or participated in

any manner in an investigation, proceeding, hearing, or litigation under this title; or

(3) to make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement, relating to insurance coverage that such insurer provides or will provide, indicating any preference, limitation, specification, or discrimination based on the race, color, religion, sex, or national origin of any person or group of persons, or an intention to make any such preference, limitation, specification, or discrimination.

(c) With respect to all contracts of insurance existing on the date this title becomes effective—

(1) it shall be an unlawful discriminatory action for any insurer after the effective date of this title—

(A) to charge or collect premium payments or contributions which become due after the effective date of this title; or

(B) to determine the amount of or to pay to any insured or other beneficiary under an insurance, annuity, or pension contract any periodic or lump-sum payment after the effective date of this title;

if such charge, collection, determination, or payment, is based, directly or indirectly, either on race, color, religion, sex, or national origin of any person or group of persons, or on any statistical table whose use would, if applied to contracts made after the effective date of this title, violate any provision of this section; and

(2) the insurer may modify the premium and contribution rates and may increase but not decrease the periodic and lump-sum payments under such existing contracts insofar as they are due after the effective date of this title, if clearly necessary to comply with the nondiscrimination requirements of this title (and if the State agency having jurisdiction to regulate the business of insurance concurs that the modification requested by the insurer is clearly necessary to comply with such requirements and authorizes such modification), but such insurer need not refund any portion of the premiums and contributions which were payable to the insurer prior to the effective date of this title nor pay any additional amounts for the benefits which were payable by the insurer prior to the effective date of this title.

(d) Nothing in this title shall be deemed to prevent an insurer who regularly provides insurance coverage solely to persons of a single religious affiliation from continuing to provide insurance solely to persons of that religious affiliation.

STATE OR LOCAL ENFORCEMENT PRIOR TO JUDICIAL ENFORCEMENT UNDER THIS TITLE

SEC. 505. (a) If an alleged discriminatory action occurs in a State, or political subdivision thereof, which has a State or local law prohibiting such discriminatory action and establishing or authorizing a State or local authority to grant or seek relief from such discriminatory action or to institute criminal proceedings with respect thereto upon receiving written notice thereof within one hundred and eighty days after the alleged discriminatory action occurs, the provisions of this section shall apply.

(b) It is the purpose of this title to accord to State and local authorities the primary opportunity to enforce the State or local laws prohibiting such discriminatory action before an aggrieved person may invoke the judicial remedy provided under section 506 of this title. Therefore, no suit shall be filed under section 506 before the expiration of sixty days after the State or local authority has received the notice specified in subsection (a), unless any proceeding begun by the State or local authority after such notice has been earlier terminated (except that such sixty-day periods shall be one hundred and twenty days during the first year after the effective date of such State or local law). The notice of the alleged discriminatory action to commence such State or local proceedings shall be filed within the time prescribed by such

State or local law, provided such prescribed time is not less than one hundred and eighty days after the alleged discriminatory action occurred. If any State or local authority imposes any requirement for the commencement of such proceedings other than a requirement that a written and signed statement of the facts upon which the charge of the alleged discriminatory action is based be filed within one hundred and eighty days after the alleged discriminatory action occurred, the proceeding shall be deemed to have been commenced for the purposes of this section at the time such statement is filed with the appropriate State or local authority. Depositing such statement in the United States mail by certified or registered mail addressed to the State or local agency shall be equivalent to such filing. Where the alleged discriminatory action is continuing in character, the one hundred and eighty days shall be computed from the last day on which such continuing discriminatory action occurred.

CIVIL ACTION BY OR ON BEHALF OF AGGRIEVED PERSON

SEC. 506. If the State or political subdivision thereof in which the alleged discriminatory action occurred does not have a State or local law which complies with subsection 505(a), or if the State or local authority has failed within sixty days after receiving the notice prescribed in section 505 to either (1) institute and diligently prosecute a proceeding pursuant to section 505, or (2) enter into a conciliation agreement to which the aggrieved person is a party, a civil action against the insurer may be brought by or on behalf of such person. Such civil action may be instituted in any State court having jurisdiction under State law or in a United States district court having jurisdiction under section 508 of this title. No suit under this section may be filed after the expiration of one hundred and eighty days following the alleged discriminatory action, except that in a case where the aggrieved person has instituted proceedings with a State or local authority pursuant to section 505 and such authority either has notified the aggrieved person that the proceedings under the State or local law have been terminated, or has failed to comply with clauses (1) or (2) of this section within sixty days after receiving the notice prescribed in section 505, the suit under this section may be filed not later than ninety days thereafter, or one hundred and eighty days after the occurrence of the alleged discriminatory action, whichever is later. Where the alleged discriminatory action is continuing in character, the one hundred and eighty days shall be computed from the last day on which such discriminatory action occurred. Upon the complainant's application and in such circumstances as the court may deem just, the court may appoint an attorney for such complainant and may authorize the commencement of the action without the payment of fees, costs, or security. Upon request of the State or local authority or any party to the suit, the court may stay further proceedings for not more than sixty days pending the termination of State or local proceedings described in section 505.

CIVIL ACTION BY THE ATTORNEY GENERAL INVOLVING ISSUES OF GENERAL PUBLIC IMPORTANCE

SEC. 507. Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title, and such denial raises an issue of general public importance, the Attorney General may bring a civil action in any United States district court having jurisdiction under section 508 of this title, by filing with it a complaint setting forth the facts and requesting such relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or persons responsible for such pattern or practice or denial of rights, as the Attorney General deems necessary to insure the full enjoyment of the rights granted by this title.

JURISDICTION

SEC. 508. Any civil action under this title instituted in a United States district court shall be brought, without regard to the amount in controversy, in the United States district court of any judicial district in the State in which (1) the alleged discriminatory action occurred, (2) the insurer's principal office is located, (3) the insurer maintains and administers records relevant to the alleged discriminatory action, (4) the insurer resides or is located, (5) the insurer is incorporated or has a designated agent for service of process, or (6) the insurer transacts business. The case shall be heard at the earliest practicable time and expedited in every way. If no judge is promptly available to hear and decide the case, the chief judge or acting chief judge of the district shall so certify to the chief judge of the circuit who shall promptly designate a district or circuit judge of the circuit to hear and determine the case.

JUDICIAL RELIEF

SEC. 509. (a) If the court determines that the insurer, whether public or private, has committed a discriminatory action, the court may—

(1) enjoin the respondent from committing any discriminatory action in the future;

(2) order the respondent to amend the insurance contract to conform with the requirements of this title;

(3) require the respondent to reimburse the aggrieved person for all actual damages sustained by such person, either in an individual capacity or as a member of a class, including reimbursement for excess

rates paid or inadequate benefits received as a result of the discriminatory action;

(4) require the respondent to pay punitive damages, in addition to the actual damages under paragraph (3), of not more than $25,000 for each individual plaintiff and not more than $800,000 in the case of a class action;

(5) allow the person aggrieved such reasonable attorney fees as part of the costs assessed against the respondent, as the court in its discretion deems proper;

(6) order such other equitable relief, including temporary or preliminary relief pending final disposition of the case, as the court may deem appropriate; and

(7) utilize the sanction of contempt to enforce its orders under this section.

(b) In determining the amount of punitive damages under subsection (a)(4), the court shall consider, among other relevant factors, the amount of actual damages awarded, the frequency and persistence of the respondent's failure to comply with requirements of this title, the respondent's resources, the number of persons affected, the extent to which the respondent was enriched through its discriminatory action, and the extent to which the respondent's failure to comply was intentional.

INAPPLICABILITY

SEC. 510. Nothing in this title shall be deemed to—

(1) modify any provision in the Social Security Act;

(2) modify any provision in any law or Executive order prohibiting discrimination in employment on the basis of an individual's race, color, religion, sex, or national origin; or in any rule, regulation, order, or agreement under such law or Executive order; or

(3) exempt or relieve any person from any liability, duty, penalty, or punishment under any present or future law of any State or political subdivision thereof, other than any such law which purports to require or permit the doing of any act which would be a discriminatory action under this title.

EFFECTIVE DATE

SEC. 511. This title shall become effective on the ninetieth day after the date of the enactment of this Act.

TITLE VI—REGULATORY REFORM AND SEX NEUTRALITY

REVIEW OF REGULATIONS

SEC. 601. (a) The head of each Federal administrative agency shall conduct a review of the regulations of that agency designed to assure that such regulations are sex neutral.

(b) All rules, regulations, documents, and other writings of Federal administrative agencies shall, to the extent practicable, use words that are neutral as to gender unless the subject matter specifically applies only to one sex or the words used do not result in sex-based discrimination.

AMENDMENT TO TITLE 1, UNITED STATES CODE

SEC. 602. (a) Section 1 of title 1 of the United States Code is amended by striking out

"words importing the masculine gender include the feminine gender as well;".

(b) Title 1 of the United States Code is amended by inserting a new section 1a immediately after section 1 thereof, as follows:

"SEC. 1a. Unless the Congress specifically provides that this section shall be inapplicable to a particular Act or provision, all words of the Act or provision importing one gender include and apply to the other gender as well.".

TITLE VII—STUDY OF ENFORCEMENT OF ALIMONY AND CHILD SUPPORT PAYMENTS

STUDY AUTHORIZED

SEC. 701. (a) The Attorney General shall undertake thorough study of the appropriate role of the Federal Government in the enforcement of delinquent payments of alimony, child support, and property settlement orders against an absent spouse or parent, with particular consideration of—

(1) the problems created by varying State and local jurisdictions in the enforcement of such orders; and

(2) the appropriate actions which the Federal Government can take to assure the timely payments of alimony, child support, and property settlements.

(b) The Attorney General shall prepare and submit to the President and to the Congress not later than one year after the date of enactment of this Act a report of the study required by this section together with such recommendations, including recommendations for legislation, as the Attorney General deems appropriate.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

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