hereby give notice of my intention to offer a resolution which raises a question of the privileges of the House.

The form of the resolution is as follows:

In accordance with House rule IX, clause 1, expressing the sense of the House that its integrity has been impugned because the antidumping provisions of the Trade and Tariff Act of 1930, Subtitle B of Title VII, have not been expeditiously enforced: Now, therefore, be it

Resolved by the House of Representatives that the House of Representatives calls upon the President to:

(1) Immediately review for a period of 10 days the entry into the customs territory of the United States of hot-rolled steel products or plate steel products that are the product or manufacture of Japan, Russia, or Brazil;

(2) If, after the above-reference review period, the President finds that the governments of Japan, Russia, or Brazil are not abiding by the spirit and letter of international trade agreements with respect to dumping, the President shall immediately impose a one-year ban on imports of hot-rolled steel products and plate steel products that are the product or manufacture of Japan, Russia or Brazil;

(3) Establish a task force within the Executive Branch to closely monitor U.S. imports of steel from other countries to determine whether or not international trade agreements are being violated with respect to dumping; and,

(4) Report to the Congress by no later than January 5, 1999, on any other actions the Executive Branch has taken or intends to take to ensure that all of the trading partners of the United States abide by the spirit and letter of international trade agreements with respect to the import into the United States of steel products.

The SPEAKER pro tempore. Under rule IX, a resolution offered from the floor by a Member other than the majority leader or the minority leader as a question of the privileges of the House has immediate precedence only at a time or place designated by the Speaker in the legislative schedule within two legislative days of its being properly noticed. The Chair will announce the Chair's designation at a later time. The Chair's determination as to whether the resolution constitutes a question of privilege will be made at the time designated by the Chair for consideration of the resolution.

EXTENDING CERTAIN EXPIRING PROVISIONS OF THE INTERNAL REVENUE CODE

Mr. ARCHER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4738) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, provide tax relief for farmers and small businesses, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4738

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

SECTION 1. AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) TABLE OF CONTENTS.—

TITLE I—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 101. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(1) by striking ''June 30, 1998'' and inserting ''December 31, 1999'';

(2) by striking ''24-month'' and inserting ''42-month''; and

(3) by striking ''24 months'' and inserting ''42 months''.

(b) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''June 30, 1998'' and inserting ''December 31, 1999''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1998.

SEC. 102. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking ''June 30, 1998'' and inserting ''December 31, 1999''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 103. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking '', and before January 1, 2001''.

SEC. 104. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

''(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

''(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

''(A) a copy of—

''(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization; and

''(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office; and

''(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

''(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

''(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

''(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d),

paragraph (1) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

''(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

''(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

''(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application.''.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding ''and'' at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking ''subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)'' and inserting ''section 6104(d) with respect to any annual return''.

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking ''section 6104(e)(2) (relating to public inspection of applications for exemption)'' and inserting ''section 6104(d) with respect to any exempt status application materials (as defined in such section)''.

(D) Section 6685 is amended by striking ''or (e)''.

(E) Section 7207 is amended by striking ''or (e)''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to in such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) PUBLICATION OF ANNUAL RETURNS.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 105. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) INCOME DERIVED FROM BANKING, FINANCING, OR SIMILAR BUSINESSES.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

''(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

''(2) ELIGIBLE CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

''(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

''(ii) conducts substantial activity with respect to such business.

''(B) PREDOMINANTLY ENGAGED.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

''(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

''(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

''(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

''(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

''(i) is derived in the active conduct of a banking, financing, or similar business by—

''(I) such eligible controlled foreign corporation, or

''(II) a qualified business unit of such eligible controlled foreign corporation,

''(ii) is derived from one or more transactions—

''(I) with customers located in a country other than the United States, and

''(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

''(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

''(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

''(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

''(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

''(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

''(A) making loans,

''(B) purchasing or discounting accounts receivable, notes, or installment obligations,

''(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

''(D) issuing letters of credit or providing guarantees,

''(E) providing charge and credit card services, or

''(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

''(i) the corporation (or qualified business unit) rendering services or making facilities available, or

''(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

''(5) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

''(B) HOME COUNTRY.—Except as provided in regulations—

''(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

''(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

''(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

''(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

''(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

''(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

''(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

''(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

''(i) one or more entities in order to satisfy any home country requirement under this subsection, or

''(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

''(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

''(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

''(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.''.

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

''(a) INSURANCE INCOME.—

''(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

''(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

''(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

''(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e)).''.

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

''(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

''(1) EXEMPT INSURANCE INCOME DEFINED.—

''(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

''(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

''(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

''(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

''(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

''(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

''(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such branch.

''(2) EXEMPT CONTRACT.—

''(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

''(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

''(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

''(I) which cover applicable home country risks, and

''(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

''(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

''(i) conducts substantial activity with respect to an insurance business in its home country, and

''(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

''(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

''(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

''(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

''(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

''(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

''(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

''(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

''(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

''(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

''(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

''(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

''(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

''(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

''(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

''(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

''(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

''(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

''(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

''(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

''(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and

file such reports, with respect to such contract as the Secretary may require,

''(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

''(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

''(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

''(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

''(11) CROSS REFERENCE.—

''For income exempt from foreign personal holding company income, see section 954(i).''.

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

''(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

''(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

''(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

''(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

''(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

''(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

''(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

''(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

''(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

''(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

''(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

''(ii) such company or branch shall use the appropriate foreign loss payment pattern.

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(ii) the reserve determined under paragraph (5).

''(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

''(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

''(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

''(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

''(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

''(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953.''.

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i).''.

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

''(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

''(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

''(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity).''.

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting ''or'' at the end of subparagraph (A), by striking '', or'' at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

''Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i).''.

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting ''other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year'' before the comma at the end.

SEC. 106. DISCLOSURE OF RETURN INFORMATION ON INCOME CONTINGENT STUDENT LOANS.

Subparagraph (D) of section 6103(l)(13) (relating to disclosure of return information to carry out income contingent repayment of student loans) is amended by striking ''September 30, 1998'' and inserting ''September 30, 2003''.

Subtitle B—Generalized System of Preferences

SEC. 111. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking ''June 30, 1998'' and inserting ''December 31, 1999''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1,

1998, and ending on the day before the date of the enactment of this Act; and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act, shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE II—OTHER PROVISIONS

SEC. 201. DEPRECIATION STUDY.

The Secretary of the Treasury (or the Secretary's delegate)—

(1) shall conduct a comprehensive study of the recovery periods and depreciation methods under section 168 of the Internal Revenue Code of 1986, and

(2) not later than March 31, 2000, shall submit the results of such study, together with recommendations for determining such periods and methods in a more rational manner, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 202. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

(a) IN GENERAL.—The options under paragraphs (2) and (3) of section 112(d) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d) (2) and (3)), as in effect on the date of the enactment of this Act, shall be disregarded in determining the taxable year for which any payment under a production flexibility contract under subtitle B of title I of such Act (as so in effect) is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to taxable years ending after December 31, 1995.

SEC. 203. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—The table contained in subparagraph (B) of section 162(l)(1) (relating to special rules for health insurance costs of self-employed individuals) is amended by striking the last 3 items and inserting the following new item:

''2003 and thereafter ..... 100.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 204. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraphs (1) and (2) and inserting the following new paragraphs:

''(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

''(A) an amount equal to the per capita limit for such year multiplied by the State population, or

''(B) the aggregate limit for such year.

Subparagraph (B) shall not apply to any possession of the United States.

''(2) PER CAPITA LIMIT; AGGREGATE LIMIT.—For purposes of paragraph (1), the per capita limit, and the aggregate limit, for any calendar year shall be determined in accordance with the following table:

Calendar Year	Per Capita Limit	Aggregate Limit
1999 through 2002	$50	$150,000,000
2003	55	165,000,000
2004	60	180,000,000
2005	65	195,000,000
2006	70	210,000,000
2007 and thereafter	75	225,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years after 1998.

SEC. 205. MODIFICATION OF ESTIMATED TAX SAFE HARBORS.

(a) IN GENERAL.—The table contained in clause (i) of section 6654(d)(1)(C) (relating to limitation on use of preceding year's tax) is amended by striking the item relating to 1998, 1999, or 2000 and inserting the following new items:

''1998 105
1999 or 2000 ..... 106''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 1999.

SEC. 206. EXEMPTION FOR STUDENTS EMPLOYED BY STATE SCHOOLS, COLLEGES, OR UNIVERSITIES.

(a) IN GENERAL.—Notwithstanding section 218 of the Social Security Act, any agreement with a State (or any modification thereof) entered into pursuant to such section may, at the option of such State, be modified at any time on or after January 1, 1999, and on or before March 31, 1999, so as to exclude service performed in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university.

(b) EFFECTIVE DATE OF MODIFICATION.—Any modification of an agreement pursuant to subsection (a) shall be effective with respect to services performed after June 30, 2000.

(c) IRREVOCABILITY OF MODIFICATION.—If any modification of an agreement pursuant to subsection (a) terminates coverage with respect to service performed in the employ of a school, college, or university, by a student who is enrolled and regularly attending classes at such school, college, or university, the Commissioner of Social Security and the State may not thereafter modify such agreement so as to again make the agreement applicable to such service performed in the employ of such school, college, or university.

TITLE III—REVENUE OFFSETS

SEC. 301. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

''(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.''.

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking ''subsection (a)'' and inserting ''this section''.

(2) Paragraph (1) of section 334(b) is amended by striking ''section 332(a)'' and inserting ''section 332''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

(d) ASSUMPTIONS.—In making the estimate required for this Act by section 252(d)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, that part of the estimate that measures the change in receipts resulting from the amendments made by this section shall be based on up-to-date economic and technical assumptions notwithstanding section 252(d)(2)(B) of such Act. All other parts of such estimate required by such section 252(d)(2) shall be made pursuant to the requirements of such section 252(d)(2)(B).

SEC. 302. INCLUSION OF ROTAVIRUS GASTROENTERITIS AS A TAXABLE VACCINE.

(a) IN GENERAL.—Paragraph (1) of section 4132 (defining taxable vaccine) is amended by adding at the end the following new subparagraph:

''(K) Any vaccine against rotavirus gastroenteritis.''.

(b) EFFECTIVE DATE.—

(1) SALES.—The amendment made by this section shall apply to sales after the date of the enactment of this Act.

(2) DELIVERIES.—For purposes of paragraph (1), in the case of sales on or before the date of the enactment of this Act for which delivery is made after such date, the delivery date shall be considered the sale date.

SEC. 303. CLARIFICATION AND EXPANSION OF MATHEMATICAL ERROR ASSESSMENT PROCEDURES.

(a) TIN DEEMED INCORRECT IF INFORMATION ON RETURN DIFFERS WITH AGENCY RECORDS.—Paragraph (2) of section 6213(g) (defining mathematical or clerical error) is amended by adding at the end the following flush sentence:

''A taxpayer shall be treated as having omitted a correct TIN for purposes of the preceding sentence if information provided by the taxpayer on the return with respect to the individual whose TIN was provided differs from the information the Secretary obtains from the person issuing the TIN.''.

(b) EXPANSION OF MATHEMATICAL ERROR PROCEDURES TO CASES WHERE TIN ESTABLISHES INDIVIDUAL NOT ELIGIBLE FOR TAX CREDIT.—Paragraph (2) of section 6213(g) is amended by striking ''and'' at the end of subparagraph (J), by striking the period at the end of the subparagraph (K) and inserting '', and'', and by inserting after subparagraph (K) the following new subparagraph:

''(L) the inclusion on a return of a TIN required to be included on the return under section 21, 24, or 32 if—

''(i) such TIN is of an individual whose age affects the amount of the credit under such section; and

''(ii) the computation of the credit on the return reflects the treatment of such individual as being of an age different from the individual's age based on such TIN.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 304. CLARIFICATION OF DEFINITION OF SPECIFIED LIABILITY LOSS.

(a) IN GENERAL.—Subparagraph (B) of section 172(f)(1) (defining specified liability loss) is amended to read as follows:

''(B)(i) Any amount allowable as a deduction under this chapter (other than section 468(a)(1) or 468A(a)) which is in satisfaction of a liability under a Federal or State law requiring—

''(I) the reclamation of land;

''(II) the decommissioning of a nuclear power plant (or any unit thereof);

''(III) the dismantlement of a drilling platform;

''(IV) the remediation of environmental contamination; or

''(V) a payment under any workers compensation act (within the meaning of section 461(h)(2)(C)(i)).

''(ii) A liability shall be taken into account under this subparagraph only if—

''(I) the act (or failure to act) giving rise to such liability occurs at least 3 years before the beginning of the taxable year; and

''(II) the taxpayer used an accrual method of accounting throughout the period or periods during which such act (or failure to act) occurred.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to net operating losses arising in taxable years ending after the date of the enactment of this Act.

TITLE IV—TECHNICAL CORRECTIONS

SEC. 401. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) DEFINITIONS.—For purposes of this title—

(1) 1986 CODE.—The term ''1986 Code'' means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term ''1998 Act'' means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term ''1997 Act'' means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 402. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

''Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).''.

(c) AMENDMENTS RELATED TO SECTION 3201 OF 1998 ACT.—

(1) Section 7421(a) of the 1986 Code is amended by striking ''6015(d)'' and inserting ''6015(e)''.

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking ''of this section'' and inserting ''of subsection (b) or (f)''.

(d) AMENDMENT RELATED TO SECTION 3301 OF 1998 ACT.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking ''The amendments'' and inserting ''Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments''.

(e) AMENDMENT RELATED TO SECTION 3401 OF 1998 ACT.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking ''7443(b)'' and inserting ''7443A(b)''; and

(2) in paragraph (2), by striking ''7443(c)'' and inserting ''7443A(c)''.

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting ''6331(i),'' after ''6246(b),''.

(g) AMENDMENT RELATED TO SECTION 3467 OF 1998 ACT.—The subsection (d) of section 6159 of the 1986 Code relating to cross reference is redesignated as subsection (e).

(h) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting ''(f)(5),'' after ''(c), (e),''.

(i) AMENDMENTS RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking ''paragraph (7)(A)'' and inserting ''paragraph (7)(A)(i)''.

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term ''qualified partnership'' means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(3) Paragraph (13) of section 1(h) of the 1986 Code is amended by adding at the end the following new subparagraph:

''(D) CHARITABLE REMAINDER TRUSTS.—Subparagraphs (A) and (B)(ii) shall not apply to any capital gain distribution made by a trust described in section 664.''

(j) AMENDMENT RELATED TO SECTION 7004 OF 1998 ACT.—Clause (i) of section 408A(c)(3)(C) of the 1986 Code, as amended by section 7004 of the 1998 Act, is amended by striking the period at the end of subclause (II) and inserting '', and''.

(k) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 403. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENTS RELATED TO SECTION 202 OF 1997 ACT.—

(1) Paragraph (2) of section 163(h) of the 1986 Code is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by adding at the end the following new subparagraph:

''(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans).''

(2)(A) Subparagraph (C) of section 221(b)(2) of the 1986 Code is amended—

(i) by striking ''135, 137,'' in clause (i),

(ii) by inserting ''135, 137,'' after ''sections 86,'' in clause (ii), and

(iii) by striking the last sentence.

(B) Sections 86(b)(2)(A), 135(c)(4)(A), and 219(g)(3)(A)(ii) of the 1986 Code are each amended by inserting ''221,'' after ''137,''.

(C) Subparagraph (A) of section 137(b)(3) of the 1986 Code is amended by inserting ''221,'' before ''911,''.

(D) Clause (iii) of section 469(i)(3)(E) of the 1986 Code is amended to read as follows:

''(iii) the amounts allowable as a deduction under sections 219 and 221, and''.

(3) The last sentence of section 221(e)(1) of the 1986 Code is amended by inserting before the period ''or to any person by reason of a loan under any qualified employer plan (as defined in section 72(p)(4)) or under any contract referred to in section 72(p)(5)''.

(b) PROVISION RELATED TO SECTION 311 OF 1997 ACT.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

''For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.''.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

''(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

''(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

''(i) which is administered after September 30, 1988, and

''(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

''(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.''.

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

''(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.''.

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the 1997 Act is amended—

(A) in subsection (b), by inserting ''or 1998'' after ''1997'', and

(B) by amending subsection (d) to read as follows:

''(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.''.

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting ''Robert T. Stafford'' before ''Disaster''.

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(g) PROVISION RELATED TO SECTION 1042 OF 1997 ACT.—Rules similar to the rules of section 1.1502-75(d)(5) of the Treasury Regulations shall apply with respect to any organization described in section 1042(b) of the 1997 Act.

(h) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

''(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.''

(i) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

''If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary.''

(j) AMENDMENT RELATED TO SECTION 1175 OF 1997 ACT.—Subparagraph (C) of section 954(e)(2) of the 1986 Code is amended by striking ''subsection (h)(8)'' and inserting ''subsection (h)(9)''.

(k) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking ''under such contracts'' in the last sentence and inserting ''under any such contract for the use of credit, debit, or charge cards for the payment of taxes imposed by subtitle A''.

(l) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1997 Act to which they relate.

SEC. 404. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

''(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(3) Paragraph (1) of section 873(b) is amended to read as follows:

''(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States.''

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 405. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

''(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).''.

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking ''(j)(1) or (2)'' in the material preceding subparagraph (A) and in subparagraph (F) and inserting ''(j)(1), (2), or (5)''.

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

''(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing.''

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) AMENDMENT RELATED TO TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999.—

(1) The Treasury and General Government Appropriations Act, 1999 is amended by striking section 804 (relating to technical and clarifying amendments relating to judicial retirement program).

(2) The amendment made by paragraph (1) shall take effect as if such section 804 had never been enacted.

(d) CLERICAL AMENDMENTS.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking ''rehabilitation plan'' and inserting ''plan for employment''. The reference to ''plan for employment'' in such clause shall be treated as including a reference to the rehabilitation plan referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Paragraph (3) of section 56(a) of the 1986 Code is amended by striking ''section 460(b)(2)'' and inserting ''section 460(b)(1)'' and by striking ''section 460(b)(4)'' and inserting ''section 460(b)(3)''.

(3) Paragraph (10) of section 2031(c) of the 1986 Code is amended by striking ''section 2033A(e)(3)'' and inserting ''section 2057(e)(3)''.

(4) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking ''Section'' and inserting ''section''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4738, as amended.

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

There was no objection.

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

Madam Speaker, the plan before us today does three principal things: It extends a series of tax relief provisions to help businesses create jobs; it helps people coming off of welfare as well as other hard to place workers to get jobs; and it includes three provisions to help farmers and ranchers who have been hard hit by tough times.

This plan gives farmers and other small business owners 100 percent deduction for their health insurance costs in the year 2003, four years earlier than current law.

I am particularly pleased about two other agricultural provisions. The bill lets farmers benefit from permanent income averaging, and the other provision protects family farmers from having to pay tax on farm program payments that have not actually been received in the year.

Due to the importance of this noncontroversial bill, I hope and expect that it will be passed in the Senate so it can be signed into law.

I thank the Members who suggested ideas that are included in the plan, and I thank the minority for their cooperation in expediting consideration of the bill on the floor today.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I rise in support of the bill before us today. It should have been before this House a long time ago. Provisions such as the research tax credit and work opportunity tax credit should have been extended. A lot of people have depended on it.

We Democrats have agreed not to offer any amendments because we believe to do so would have delayed the enactment of this very important legislation.

However, in other circumstances there would have been several amendments that we would have proposed. On October 1st of this year, the temporary increase in the rum carry-over provision expired. Failure to extend that temporary increase will have adverse consequences to Puerto Rico and the Virgin Islands. I am very disappointed that we are not able to extend that temporary increase in this bill.

Extensions of my qualified zone academy zone program would have been a big step in addressing the large need of school construction and modernization. The provision previously adopted by the House that liberalized the arbitrage rules for school construction bond would do little to meet school construction needs.

I am also disappointed that the bill does not extend the welfare to work credit. It expires at the end of April of next year, and realistically there is little prospect for enacting a timely extension next year.

There is also broad bipartisan support on this committee for an increase in the low income housing tax credit program. There is no reason why we should not have been able to do that in the context of this legislation. Next year American families with children will be faced with extraordinary complex rules when claiming the child credit enacted last year. There is no justification for the complexity of those rules and this committee should have adopted the legislation of the gentleman from Massachusetts (Mr. NEAL) that would waive in tax year 1998 the minimum tax limitation on the child credit.

I do not understand why reauthorization of the trade adjustment assistance program for workers and firms which terminated on September 3 was not included in this package.

The Senate has a different version of this legislation, and I think the other body's version is far superior to what we have to today, but in particular I support the extension of trade adjustment assistance and the minimum tax waiver contained in the other body's version. I am hopeful that disagreements over the detail of this legislation will not endanger its enactment.

Madam Speaker, I reserve the balance of my time.

Mr. ARCHER. Madam Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. MCCRERY).

(Mr. MCCRERY asked and was given permission to revise and extend his remarks.)

Mr. MCCRERY. Madam Speaker, I rise in support of this tax bill.

Madam Speaker, I commend Chairman ARCHER on the inclusion in this bill of the provision to modify and extend the present law treatment of active financial services income under Subpart F of the Internal Revenue Code. The provision permits U.S.-based finance companies, insurance companies banks, securities dealers, and other financial services firms to act like other U.S. industries doing business abroad and defer U.S. tax on the earnings from the active operations of their foreign subsidiaries until such earnings are returned to the U.S. parent company.

In particular, I commend Chairman ARCHER and his staff for the resolution of two questions relating to the interaction of this subpart F provision. The first deals with active financial services income and the ability of the U.S. financial services industry to use so-called hybrid arrangements and other techniques to reduce their foreign taxes. The second clarifies whether the subpart F provision will work as intended if the Treasury Department fails to make current, effective conforming changes to existing regulations, such as the exception for same-country dividends and interest.

Additionally, I understand that the provision to modify and extend the present law treatment of active financial services income under Subpart F contemplates that the Treasury Department will make current effective conforming changes to existing regulations that do not take account the exception provided by the provision. As an example, it is intended that debt instruments held by a U.S.-controlled foreign corporation, the income from which qualifies for the treatment provided by the bill, will be considered to be assets used in a trade or business for purposes of the regulatory requirements under the exception for same-country dividends and interest.

There clarifications are necessary because in January of this year, the Treasury Department issued Notice 98–11, attacking the use of hybrid arrangements to reduce the foreign taxes of U.S.-owned foreign companies. Chairman ARCHER, along with a bipartisan majority of the Ways and Means Committee, strongly opposed the Treasury Department's action on Notice 98–11. In response to the concerns raised by Chairman ARCHER, in June of this year, the Treasury Department issued Notice 98–35, the purpose of which was ''to allow Congress an appropriate period to review the important policy issues raised . . . and if appropriate address the issues by legislation.'' Notice 98–35 also anticipated, and explicitly provided for, the use of hybrid arrangements to reduce foreign taxes with respect to financial services income, and provided specific rules for this application during the interim.

I am very pleased that the provision modifying and extending the subpart F exception for active financial services income was carefully drafted so that nothing in the provision would authorize or allow the exception to be denied because a hybrid arrangement, or any other technique available under foreign law, is used to reduce foreign tax.

Mr. RANGEL. Madam Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Madam Speaker, first let me thank my friend from New York and my friend from Texas for bringing this matter to the floor. I strongly support the bill before us.

Principally let me say that this bill provides some relief to people that are needed and it provides some help to businesses. It is a good bill and it is paid for. It will not violate our commitment to preserve all of the surplus until we have come up with a plan to save Social Security. So this is a bill that I believe will enjoy broad support in this House because it does good things and it is totally paid for.

As the chairman pointed out, it accelerates the self-employed health insurance benefits. That is good. On both sides of the aisle we have been trying to help self-employed people by making it easier for them to provide health benefits to their employees.

It extends expiring tax provisions, the research tax credit, very important for this Nation for research and development as well as the work opportunity tax credit, which is used to help people find employment, which will be very difficult otherwise. It has been a very successful program and this bill extends that program. Contributions to private foundations of appreciated property, we make that permanent. That will help private foundations in their efforts to carry out their charitable activities.

As the chairman pointed out, there are very good provisions in here for farmers, including income averaging, ones that are generally supported.

One additional provision I would like to compliment the chairman for including deals with private activity bond caps. By raising those caps, we are going to help state and local governments in dealing with a lot of the infrastructure needs of this country. It is a good provision.

The provisions in here are all good, they are paid for, and I urge my colleagues to support them. I join with the ranking member in my disappointment that we do not have other provisions that should be included in a tax bill before we adjourn, and hopefully we will be able to work out some additional provisions before Congress adjourns this year.

Mr. RANGEL. Madam Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. NEAL).

(Mr. NEAl of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Madam Speaker, I want to thank first of all the gentleman from New York (Mr. RANGEL) and the gentleman from Texas (Mr. ARCHER) for bringing this bill to the floor. I believe that, by and large, this is a very good piece of legislation.

□ 1745

I support extension of the expiring provisions, and I am pleased that we will have this chance today to ensure that these provisions do not expire and that there will be no lapse in these valuable tax credits.

The Research Experimentation Credit is important to Massachusetts. Massachusetts is the home of many high-tech companies and universities that develop technology. The research tax credit inspires the development of technology, which leads to both economic and job growth. The work opportunity tax credit plays a vital role in helping individuals move from welfare to work. This credit is a valuable program that enables many individuals to become self-sufficient. The program has been effective, and it should indeed be continued.

Madam Speaker, there is one provision I believe, however, that should have been included in this legislation. Recently I have introduced legislation, H.R. 4611, which provides a temporary waiver for the taxable year 1998 of minimum tax rules that deny many families the full amount of the nonrefundable personal credit such as the child tax credit and the HOPE and lifetime learning credits.

The Senate finance package included this provision in their extenders bill. I commend them for addressing this important issue, and I hope that we will seriously consider accepting this provision from the Senate.

The Senate bill strikes the appropriate balance between families and business. The House bill addresses important issues, but the Senate bill, I believe, goes further in including an extremely important provision for families, temporary relief from the interaction of the minimum tax with the child tax credit.

Without this fix, all families who claim the child credit with incomes above $45,000 for joint filers and $33,750 for single filers will be required to make some sort of minimum tax calculation. The minimum tax is not only complicated, it can penalize middle income taxpayers who claim the new personal tax credits.

The Department of Treasury estimates that, in 1998, the alternative minimum tax will deny 800,000 taxpayers who are entitled to both the child tax credit and the education tax credit the full benefits of these credits.

Without enactment of legislation to address this issue, taxpayers who are planning to claim the child credit should be warned that the computation of their taxes will be difficult, time consuming and, I believe, unnecessarily complex. Without simplifying the child tax credit, the child tax credit form that will be required on next year's tax filing will become a nightmare.

Madam Speaker, it is a shame that we did not address this issue in this bill today. The Joint Committee on Taxation estimates that a 1-year solution for taxable year 1998 would cost $474 million. But by not addressing the interaction of minimum tax with nonrefundable personal credits, many families will be cheated of the credits that we, indeed, promised them. The average family will have to pay a tax return preparer in order to fill out forms for these new credits.

Let me also share a quote with my colleagues from a letter that I witnessed today from the editor of Tax Notes, Mr. Christopher Bergin. He says,

Apparently, few of us Washington types are surprised that the basis of the bill Republican leaders were trying to build at the last minute is a package extending expiring provisions that help mostly business or rich people who like to name foundations after themselves. But House leaders are taking the chance that those outside of Washington, the average taxpayers, may figure out that their congressional representatives did not have time to prevent the alternative minimum tax from eating their child credits because they were too busy taking care of multinational financial intermediaries.

I disagree with part of what was stated, but I also believe that we should have taken up this issue, and I hope that we will do so in the near future.

I have introduced a permanent solution this year, and I hope that we will give families the opportunity that we stated just a short time ago, and I hope that we will not bury them in their tax forms come 1999.

I also thank the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) once again for getting this bill to the floor. By and large, it is a very good piece of legislation.

Madam Speaker, I support extension of the expiring tax provisions. Unfortunately, this was a very small bill whose main purpose was to extend the expiring provisions. Other valuable provisions were not able to be included. I would like to briefly mention a provision that was included in the House-passed version of the Taxpayer Relief Act of 1997, but it was not enacted because it was not included in the conference agreement.

This provision clarifies the tax treatment of the state-mandated consolidation of mutual savings bank life insurance departments. Savings Bank Life Insurance is unique to the three States of New York, Connecticut, and Massachusetts. Last year with the help of Chairman ARCHER, the House addressed this issue.

This provision clarifies the tax treatment of a 12-year dividends payout associated with a state-mandated consolidation by treating it as a deductible policyholder dividend rather than a non-deductible redemption of equity. This provision is extremely important to Massachusetts because in 1990, the State legislature consolidated the State's saving bank life insurance departments into a new non-public stock company, while still providing for the sale of its products through these State banking institutions. New York and Connecticut may follow the consolidation approach taken by Massachusetts.

I am enclosing a letter to Chairman ARCHER thanking him for his assistance on this issue. I look forward to bringing closure to this issue next Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 8, 1998.

Hon. CHAIRMAN BILL ARCHER,
Chairman, Committee on Ways and Means, Longworth HOB, Washington, DC.

DEAR CHAIRMAN ARCHER: I am writing to thank you for your continued support for a provision that addresses potential adverse consequences for Savings Bank Life Insurance (SBLI) institutions that are unique to the three states of New York, Connecticut, and Massachusetts. Last year with your invaluable assistance, a provision was included in the House passed Taxpayer Relief Act of 1997, but it was not enacted because it was not included in the conference agreement for that legislation. The provision would clarify the tax treatment of the state-mandated consolidation of mutual savings banks' life insurance departments.

More specifically, the provision would clarify how the Internal Revenue Code of 1986 should treat certain policyholder dividends mandated by the Massachusetts State Legislature in 1990. This legislation consolidated the state's saving bank life insurance departments into a new non-public stock company, while still providing for the sale of its products through these state banking institutions. Because of the IRS's interpretation of current law, it is essential that Congress clarify that the 12-year dividends payout associated with this consolidation should be treated as a deductible policyholder dividend rather than a non-deductible redemption of equity.

While only the Savings Bank Life Insurance Company of Massachusetts will be affected by the IRS's current interpretation of the Code, the SBLI industries in both New York and Connecticut may be adversely affected if the Code is not properly clarified because they may follow the consolidation approach taken by Massachusetts.

Once again, Mr. Chairman thank you for your assistance. I look forward to working with you on this issue next Congress.

Sincerely,

RICHARD E. NEAL,
Member of Congress.

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

I would simply to respond to the gentleman from Massachusetts on the issue of removing from the alternative minimum tax formula many of the nonrefundable credits that would help higher middle income people.

The gentleman I am surprised would make the statement that he made, because we not only have considered that, it was part of the tax bill that passed the House of Representatives and made permanent in that bill, and that bill is currently over in the Senate being held up by the minority that refuses to let it pass cloture and be adopted.

So that provision not only takes care of 1998 but takes care of all succeeding years, because it is a permanent provision in the law. I am sure the gentleman did not mean to imply that we had been callous relative to that issue this year, because we certainly have not.

Madam Speaker, I reserve the balance of my time.

Mr. RANGEL. Madam Speaker, I yield 3 minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Madam Speaker, I would first like to commend the leadership of the Committee on Ways and Means for this bill. There are some very, very important provisions in this bill that will certainly help the people that I represent in Michigan.

I would like to highlight just a couple of those of particular significance. One is the permanent extension of income-averaging for farmers. I was pleased the day that I was sworn into the 105th Congress, along with my friend and colleague from Michigan, NICK SMITH, to be cosponsoring legislation to provide a permanent extension of income-averaging for farmers, and I am very pleased to see this in this legislation, as am I pleased to see the permanent extension of the current provisions regarding contributions for private foundation.

I also think it is very important that we have accelerated the deduction for health care for self-employed individuals. I would only ask that, as we move forward, that instead of continuing to extend the research tax credit year-by-year, that we seriously consider and, in fact, in the coming year, if not in this bill, permanently extend the research tax credit so that those involved in the critical long-term research efforts of this country know and can plan for the long term as they make decisions that will create jobs for American workers and important new discoveries for Americans.

Madam Speaker, I have twice authored in the last 2 years letters to the President and to my colleagues urging that we adopt a permanent extension of the research tax credit. Over 140 Members of this House have signed those letters, and I notice that as we debate the question of the advanced technology program and other programs where Members have indicated that they believe that the private sector should be taking the leadership in research efforts, long-term, risky research efforts for the country, that, as we do that, we send a mixed message when we, in fact, do not permanently extend the research tax credit for our country.

So I would urge that, as we move forward, that we make that permanent extension a top priority.

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

Mr. ARCHER. Madam Speaker, I include for the RECORD at this point the final revenue table for the bill.

ESTIMATED BUDGET EFFECTS OF H.R. 4738, THE ''REVENUE EXTENSION ACT OF 1998,'' TO BE CONSIDERED UNDER SUSPENSION ON THE HOUSE FLOOR—FISCAL YEARS

[In millions of dollars]

Provision	Effective	1999	2000	2001	2002	2003	2004	2005	2006	2007	1999–02	2003–07	1999–07
1. Extension of Expiring Provisions:													
A. Extending the R&E Credit (through 12/31/99).	7/1/98	−1,526	−866	−409	−296	−170	−39				−3,907	−209	−3,306
B. Extend Work Opportunity Tax Credit (through 12/31/99).	wpoifibwa 6/30/98	−245	−227	−126	−50	−18	−3				−648	−21	−669
C. Extend Contributions of Appreciated Stock to Private Foundations (permanent); Public Inspection of Private Foundation Annual Returns.	7/1/98[1]	−23	−56	−71	−83	−91	−95	−100	−104	−109	−233	−499	−732
D. 1-Year Modified Extension of Exemption from Subpart F for Active Financing Income (as in H.R. 4579).	tybi 1999	−117	−378								−495		−495
E. Extend the Generalized System of Preferences (through 12/31/98)[2].	7/1/98	−393	−84								−477		−477
F. Permanent Extension of Income Averaging for Farmers.	tyba 12/31/00			−2	−21	−22	−22	−23	−24	−24	−23	−115	−138
G. Extension of Tex Information Reporting for Income Contingent Student Loan Program[2].	10/1/98	Negligible Budget Effect											
Subtotal of Extension of Expiring Provisions.		−2,304	−1,611	−608	−450	−301	−159	−123	−128	−133	−4,973	−844	−5,817
II. Other Provisions:													
A. Treasury Study on Depreciation (due 3/31/00).													
B. Production Flexibility Contract Payments to Farmers Not Included in Income Prior to Receipt.	tyea 12/31/95	Negligible Revenue Effect											
C. Self-Employed Health Insurance Deduction—100% in 2003 and thereafter.	tyba 12/31/02					−206	−637	−680	−602	−257		−2,382	−2,382
D. Increase Private Activity Bond Volume Cap to the Greater of $55 Per Capita or $165 Million Starting in 2003; Phased in Ratably to the Greater of $75 Million Per Capita or $225 million in 2007.	1/1/03					−11	−44	−111	−177	−252		−595	−595
E. Prior Year Estimated Tax Safe Harbor for Individuals With AGI over $150,000 (106% in 2000 and 2001).	tyba 12/31/99		525		−525								
F. State Election to Exempt Student Employees From Social Security[2].	spa 6/30/00		−5	−47	−49	−51	−52	−54	−56	−58	−101	−271	−372
Subtotal of Other Provisions			520	−47	−574	−268	−733	−845	−835	−567	−101	−3,248	−3,349
III. Revenue Offset Provision:													
A. Change the Treatment of Certain Deductible Liquidating Distributions of RICs and REITs.	dma 5/21/98	2,425	1,109	723	640	672	705	741	778	817	4,897	3,713	8,610
B. Add Vaccines Against Rotavirus Gastroenteritis to the List of Taxable Vaccines ($0.75 per dose).	vpa DOE	1	2	3	4	5	6	6	6	7	11	31	42
C. Clarify and Expand Math Error Procedures	tyea DOE	12	25	26	27	28	29	30	31	32	90	150	240
D. Restrict Special Net Operating Loss Carryback Rules for Specified Liability Losses.	NOLgi tyea DOE	14	21	29	39	42	40	40	40	42	103	204	308
Subtotal of Revenue Offset Provisions		2,452	1,157	781	710	747	780	817	855	898	5,101	4,098	9,200
IV. Tax Technical Corrections Provisions		No Revenue Effect											
Net Total		148	66	126	−314	178	−112	−151	−108	198	27	6	34

SOURCE: Joint Committee on Taxation.

NOTE: Details may not add to totals due to rounding.

Legend for ''Effective column: dma=distributions made after; DOE=date of enactment; NOLgi=net operating losses generated in; spa=services performed after; tyba=taxable years begining after; tybi=taxable years beginning in; tyea=taxable years ending after; vpa=vaccines purchased after; wpoifibwa=wages paid or incurred for individuals beginning work after.

[1] The additional public inspection provisions apply to requests made after the later of the date which is 60 days after the date on which the Treasury Department publishes regulations or 12/31/98.

[2] Estimate provided by the Congressional Budget Office.

Mr. SMITH of Oregon. Madam Speaker, I appreciate the opportunity to rise once again in support of tax relief for America's farmers and ranchers. Regrettably, even though Chairman ARCHER's laudatory efforts recently to provide substantial tax relief to our agricultural producers, small businessmen, and families will not move forward, the American people now understand which party is for lower taxes and sound tax policy.

Today, Chairman ARCHER brings to the floor a scaled-down package of Tax Code extensions, which appear to enjoy the support of Congress and the administration. I regret we cannot do more; but I applaud the Ways and Means Committee for not giving up on the American people.

Making income averaging permanent provides U.S. farmers and ranchers a useful tool they may use to even out their tax liabilities from one year to the next. In agriculture, and

especially in light of the current crisis, this significantly mitigates the economic hazards of farming and ranching.

The bill also accelerates the phase-in of the health insurance deduction that will be extremely helpful to farmers and other self-employed people and their families. The full deduction will be realized in 2003.

Finally, Madam Speaker, this bill assists agricultural producers in meeting their tax obligations under the Agricultural Market Transition Act (AMTA) of the 1996 farm bill. Congress already has provided the USDA with authority to speed up AMTA payments, which will help many farmers this year, and with this bill, these payments will receive an appropriate tax treatment.

This is a good bill. It will be helpful to American agriculture, and it is the very least we can do. I urge all my colleagues will vote for it.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ARCHER) that the House suspend the rules and pass the bill, H.R. 4738, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CALLING ON THE PRESIDENT TO RESPOND TO INCREASE OF STEEL IMPORTS AS A RESULT OF FINANCIAL CRISES IN ASIA AND RUSSIA

Mr. ARCHER. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 350) calling on the President to take all necessary measures under existing law to respond to the significant increase of steel imports resulting from the financial crises in Asia, Russia, and other regions, and for other purposes.

The Clerk read as follows:

H. CON. RES. 350

Whereas the current financial crises in Asia, Russia, and other regions have involved massive depreciation in the currencies of several key steel-producing and steel consuming countries, along with a collapse in the domestic demand for steel in these countries;

Whereas the crises have generated and will continue to generate significant increases in United States imports of steel, both from the countries whose currencies have depreciated in the crisis and from steel producing countries that are no longer able to export steel to the countries in economic crisis;

Whereas United States imports of finished steel mill products from Asian steel producing countries—the People's Republic of China, Japan, Korea, India, Taiwan, Indonesia, Thailand, and Malaysia—have increased by over 70 percent in the first 5 months of 1998 compared to the same period in 1997;

Whereas year-to-date imports of steel from Russia now exceed the record import levels of 1997, and steel imports from Russia and Ukraine now approach 2,500,000 metric tons;

Whereas foreign government trade restrictions and private restraints of trade distort international trade and investment patterns and result in burdens on United States commerce, including absorption of a disproportionate share of diverted steel trade;

Whereas the European Union, for example, despite also being a major economy, in 1997 imported only one-tenth as much finished steel products from Asian steel producing countries as the United States did and has restricted imports of steel from the Commonwealth of Independent States, including Russia;

Whereas the United States is simultaneously facing a substantial increase in steel imports from countries within the Commonwealth of Independent States, including Russia, caused in part by the closure of Asian markets; and

Whereas many would recognize that there may be a need to determine if there should be improvements in the enforcement of United States trade laws to provide an effective response to such situations: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress calls upon the President to—

(1) pursue vigorous enforcement of United States trade laws relating to unfair trade practices with respect to the significant increase of steel imports into the United States, using all remedies available under all those laws;

(2) pursue consultations with officials of Japan, Korea, the European Union, and other nations to eliminate import barriers that affect steel mill products and to increase access to their markets;

(3) closely monitor United States imports of steel and make the data gathered from such monitoring available to the public as soon as possible; and

(4) report to the Congress by no later than January 5, 1999, on the impact that the significant increase in steel imports is having on employment, prices, and investment in the United States steel industry.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I may include extraneous material on the resolution, H. Con. Res. 350, now under consideration.

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

There was no objection.

Mr. VISCLOSKY. Madam Speaker, I wish to be recognized in opposition to the resolution.

The SPEAKER pro tempore. Is the gentleman from New York opposed to the resolution?

Mr. RANGEL. No, Madam Speaker.

Mr. VISCLOSKY. Madam Speaker, the gentleman from Indiana is opposed to the resolution.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. VISCLOSKY) will control 20 minutes.

Mr. VISCLOSKY. Madam Speaker, I also ask unanimous consent that we extend debate on this resolution for 1 additional hour, given the important nature of the resolution before the House.

The SPEAKER pro tempore. Does the gentleman from Texas (Mr. ARCHER) yield for the purpose of extending the debate for 1 additional hour?

Mr. ARCHER. No, Madam Speaker. I cannot accept, Madam Speaker. This bill is under suspension and should be covered by the normal rules for suspension.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) will be recognized for 20 minutes; the gentleman from New York (Mr. RANGEL) will be recognized for 20 minutes; and the gentleman from Indiana (Mr. VISCLOSKY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

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

Madam Speaker, I rise today in support of H.Con.Res. 350. I worked with my colleague from Ohio (Mr. REGULA) to develop this resolution which expresses the strong will of Congress that the President must respond to the significant increase in steel imports. This resolution expresses the clear signal that we must take action under our existing laws to preserve U.S. jobs in this vital sector.

Some are seeking to politicize this issue, asserting that this resolution is not strong enough. Frankly, I do not understand that strategy. We must be united in our call to the administration to take action. The resolution makes perfectly clear that Congress is gravely concerned that the financial crises in Asia and Russia have led to a collapse in demand for domestic steel and that a number of our trading partners are closing in their markets to foreign steel, leaving the U.S. vulnerable to sky-rocketing levels of imports.

In fact, this language in the resolution is virtually identical to the so-called bipartisan resolution, H.Con.Res. 328, introduced last month.

Furthermore, the resolution calls upon the President to pursue vigorous enforcement of U.S. trade laws with respect to steel; to negotiate with Japan and Korea and the EU to eliminate barriers and open their markets to the glut to the steel on the market; to closely monitor import levels; and to report to Congress by January 5 on the impact that the significant increase in steel imports is having on employment, prices, and investment here.

Madam Speaker, I hope we will not play politics today. We have no disagreement about the impact that the significant increase in steel imports is having on the U.S. industry and on its workers. I do not understand why this resolution should pass by anything other than a unanimous vote so that we can send a clear, united message to the President that the Congress is deeply concerned.

Madam Speaker, I reserve the balance of my time.

Mr. RANGEL. Madam Speaker, I have no speakers, so I reserve my time at this time.