

Z visa, prior to legal permanent residency, the earned-income tax credit. I think that is quite a step. Indeed, you pay \$200 for your fine, and you file your tax return next year and get a \$1,800 check from Uncle Sam.

Don't be mistaken, the earned-income tax credit is for people who don't pay income tax. It is a gift from Uncle Sam. It is meant to encourage Americans to get out and work, not to encourage people to come into our country illegally to gain this benefit. So I just would say to my colleagues, this is an important principle.

According to the Congressional Budget Office—and they run the numbers on this—it is the largest single benefit program and cost of this bill in the first 10 years—not in the outyears; there are some big costs that aren't being calculated. But in the first 10 years, this is the largest direct single benefit.

Over the 2008 to 2017 period—

Ten years—

the Joint Tax Committee estimates that S.A. 1150 would increase outlays for refundable tax credits by about \$13 billion, the largest direct spending effect of the legislation. Enacting 1150 would increase the amount of refundable tax credits mainly by increasing the number of resident aliens for income tax purposes.

In other words, it would increase the number of people eligible.

Resident aliens are taxed in the same manner as U.S. citizens and thus could qualify for the refundable tax credit.

They are taxed, but they are not going to be paying high taxes because many of them are lower income people, but they will get the tax credit.

So my amendment would reduce the bill's direct spending cost, the cost to the American taxpayer. Who pays the big check they get every year? Who pays the check they get every year? They are not paying it. It is the taxpayers, the American taxpayers. It is an additional reward on top of the amnesty that is provided. So my amendment would reduce the estimated cost of this legislation by nearly half, No. 1, and it is right, and it is fair.

Now, last year, my amendment—which I believed was justified, but this Congress didn't agree—said you would not receive the earned-income tax credit until you became a citizen. Why not? How is an illegal alien able to come here, not expecting the earned-income tax credit, and then be rewarded with it by our government? That never made sense to me.

But in this legislation—because I think it is important, and we can make a big difference here—in this legislation I have offered, it would simply say that during the time you have a probationary visa or a Z visa up until the time you become a legal permanent resident, you wouldn't get the earned-income tax credit. How much simpler is it than that?

I hope my colleagues will see that this is a perfectly logical amendment, and I would suggest it reflects on our

mindset, our approach to this entire process, if we are not able to draw this kind of line as we go through passing—or attempting to pass—this historic piece of legislation. I really think we should give thought to that and ask ourselves what right does somebody who came into our country illegally, who has been here maybe for a number of years, expect to receive this benefit, where we say: OK, we are just going to give up; we are not going to make you go home; we will let you stay; you can have amnesty. By the way, you start receiving the earned-income tax credit of \$2,000. How much sense does that make? I don't think that is good public policy. It raises questions about how serious we are about defining our immigration system in a way that works, that has bright lines, and carries out a logical policy. But I understand that people are determined to see that this goes forward.

Now, Senator REID has offered an amendment that is going to be a side-by-side. This amendment is very short, and basically all the amendment says is—I don't have it before me. Our majority leader, our Democratic majority leader, is offering an amendment that says: Well, we will comply with all the current laws of the IRS, and you don't get the earned-income tax credit if you are illegal. Well, of course. That means zero—nothing. I have to tell my colleagues, I am amazed at that amendment, unless I have missed something entirely, because that is what it is all about. They won't be illegal when they are given the probationary status or the Z visa status. They become legal and would get it. I was going to meet with some of the White House people to discuss this issue. I don't think they understood it that way, and I am not sure the President understood that this was actually going to happen under the legislation. But if this bill becomes law, they would get it.

So you say: Well, maybe they wouldn't get it. Well, if they don't get it, why wouldn't you vote for my amendment, which quite plainly assures that they don't get it? Follow me?

So I don't understand this cover amendment. It is not even a fig leaf, I say to my colleagues. I don't think you are going to be able to hide behind the Reid amendment because it is not going to do anything but guarantee that persons who are here and are given this amnesty will pay \$200 and then they will get to draw nearly \$2,000 a year under the earned-income tax credit.

The amendment being offered by Senator REID makes no sense to me. Maybe I missed something, but I don't think so. I would be delighted to hear what is in play. It is what you call a cover amendment. So what I say to my colleagues is, let's get realistic about what we are doing. Let's understand the cost this legislation is going to have. The Congressional Budget Office has found in their report—although it

was written so that it is a little hard to find, but it is perfectly plain—the bill, over 10 years, will cost the American taxpayers \$32 billion. A substantial chunk of that amount is the earned-income tax credit. They say the earned-income tax credit is for children. It is not for children, it is for American workers. You may get more if you have children, but it is not for children, it is for American workers.

I thank the Chair and reserve the remainder of my time on this issue.

The PRESIDING OFFICER (Mr. OBAMA). Who yields time?

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I see the Senator from Arizona on the Senate floor. I was going to respond at some time to the Senator from Alabama. I am glad to wait until the Senator from Arizona is finished.

AMENDMENT NO. 1150

Mr. KYL. Mr. President, I thank the Senator from Massachusetts, since it is important that, prior to a meeting we have at 5:30, to speak to an amendment offered by Senator MENENDEZ.

I want to be clear that we have a side-by-side amendment that we will also be voting on, which I think goes to the heart of what Senator MENENDEZ is trying to get at here, but it does so in a way that will not upset the bipartisan consensus that has been worked out on the legislation.

I think the Menendez amendment has been discussed in the past. It is an amendment that would, in significant ways, change the basic agreement that has been made by some of the Senators. Therefore, it would be very problematic were it to pass. There is a budget point of order against the Menendez amendment, and that point of order will be raised. Because of the extra cost that would be imposed by additional immigrants being permitted to come into the country over time, in fact, I think there is more than one budget point of order because of those increased costs. The general proposition is that some have said the bill is not family friendly and that we need to do more for families. I want to try to dispel that, Mr. President.

We start out with the proposition that somewhere between 12 million and who knows how many million illegal immigrants who are in the United States, for the most part, are going to be able to stay. If everything that can be expected of them is accomplished, they have the ability to apply for a green card and eventually potentially become citizens of the United States of America. That is a tremendous benefit for people who came illegally.

One of the reasons some of us have been willing to accommodate that is people have come here with families or have created families here, and we do not want to disrupt those families.

Secondly, there are family visas that historically have been issued by the United States. This bill doesn't in any way affect the ability of any legal permanent resident or citizen to bring