

Mr. GRASSLEY. Mr. President, we have now come to the end of our many days of deliberation over the tax cut bill. This will probably be my final bill during my brief tenure as chairman of the Finance Committee, and so, I want to make a few closing remarks about the bill before us this morning.

This bill represents an enormous bipartisan effort. This bill has had bipartisan participation from its very creation, all the way through to its completion in conference with the House. The bill before us today was drafted in concert with Senators BAUCUS, BREAUX, and many others on the Finance Committee from both sides of the aisle—all of whom I consulted with personally. I thank you all for your insights and guidance in designing this bill.

I would also like to thank Chairman BILL THOMAS of the House Ways and Means Committee. His responsiveness to the difficulties we face here in the Senate was refreshing and very constructive. But most of all, we should thank President Bush. It was his leadership and vision that led us to this historic moment—as we prepare to enact the largest individual income tax cut in 20 years.

We took as a starting point President Bush's efforts to provide income tax relief to all Americans. This legislation includes the four main elements of President Bush's goals for providing tax relief to working families: the bill before us today provides an across the board tax cut and creates the new low 10 percent rate requested by the President; the bill reforms and repeals the death tax, which the President wanted; the bill provides marriage penalty relief, which the President and Congress have sought for a very long time; the bill also includes a \$1,000 refundable child credit, which was specifically re-

quested by the President. Sixteen million more children will be helped by our bill. In addition, the bill contains an extensive education incentives package, pension and IRA enhancements, and AMT relief.

This tax bill is a victory for Republicans. It is a victory for Democrats. It's a victory for the President, but most importantly, it is a victory for the taxpayers of the United States.

Now for some of the details. First, the conference bill reduces marginal rates across-the-board and applies the President's 10 percent rate retroactively to January 1st of this year. The Treasury Department will issue rebate checks to American taxpayers to remit any excess taxes that have been withheld on their 10 percent earnings earlier this year. The 28 percent, 31 percent and 36 percent rates will be reduced by 3 points over the next several years.

The first one point rate reduction will take effect on July 1—just a month from now.

The rebate checks and immediate rate reductions will provide a stimulus that our sluggish economy very much needs. In addition, the 39.6 percent top marginal rate will drop to 35 percent. While we don't go as far as the President in reducing the top rates—and I would add we didn't go as far as I would like—we also address the hidden marginal rate increases caused by current law that denies deductions for personal exemptions and itemized deductions.

Those laws will be repealed, thus eliminating these hidden marginal rate increases and removing another complexity from the Code. We provide marriage penalty relief for married families—for families where both spouses work and where only one spouse works.

The President's desire to expand the child credit to \$1000 is met in this bill. And in response to the concerns of Senators SNOWE, LINCOLN, BREAUX, JEFFORDS, and KERRY the child credit was expanded to help millions of children whose working parents do not pay income tax.

And lastly, we heard America's voices and have reformed and repealed the death tax. Starting January 1 of next year, the unified credit is increased to \$1 million and the top rate is cut to 50 percent. The burden of the death tax is reduced and will be eliminated—as called for by President Bush. This effort is due to the work of many Senators but I would particularly note the efforts of Senator KYL and Senator LINCOLN.

In addition, the bill contains many provisions targeted for education. Elements include expansion of prepaid tuition programs to help families pay for college—long advocated by Senators COLLINS, MCCONNELL, and SESSIONS. In addition, we provide college tuition deduction thanks to Senators TORRICELLI, SNOWE, and JEFFORDS, as well as an expansion of the education savings accounts—in honor of Senator

Coverdell—thanks to the work of Senator TORRICELLI and the Majority Leader. In addition to President Bush's proposals for tax relief for working families, we also included the Grassley-Baucus pension reform legislation which probably would not have made it in the bill without the longtime support of Senators HATCH and JEFFORDS.

In addition to maintaining the basic framework of the bipartisan agreement, we were able to retain some of the important amendments added to the RELIEF Act on the Senate floor. The key amendments we kept were keeping with the major focus of the bill—providing benefits for working families. First among these is that the adoption credit is extended and expanded effective 2003. I have been a long advocate on this matter, but I want to recognize the critical work of Senators LANDRIEU and CRAIG in this matter. Further, we were able to retain the goal of giving employers greater tax incentives to provide child care to their employees—long advocated by Senator KOHL.

In addition, we kept the policy advocated by Senator JEFFORDS of expanding the dependent care tax credit—which assists families facing the difficulties of providing care for children and spouses with special needs. We include Senator BINGAMAN's amendment offered in committee that allows the IRS to provide greater relief to families who are in a disaster area.

Finally, we retained the Senate amendment championed by Senator FITZGERALD that excludes from income payments made to survivors of the Holocaust. America is a society of opportunity. Over 60 percent of all families will at one time or another be in the top fifth of income in this country.

This bill will provide the American taxpayer with the greatest amount of tax relief in a generation. And they deserve it. It is wrong that in a time of surpluses we are still imposing a record tax burden on workers. With passage of this bill, struggling families will have more money to make ends meet; parents and students will be able to more easily afford the costs of a college education.

A successful business woman will be able to expand and hire more people; a father finally getting a good paycheck after years of work will be able to better provide for his aging mother; and, a farmer can pass on the family farm without his children having to sell half the land to pay estate taxes. The examples are endless of the great benefits that we realize when we give tax relief to working families. I would remind my colleagues again that the hallmark of this bill is that relief for low-income families comes first.

The marginal rate drop to 10 percent is immediate, and the effects of that reduction will be placed in taxpayer's hands this year. The child credit expansion to low-income families is immediate. Over 16 million more children will be helped by the provisions of this

bill. In addition, the numbers show that once again, our bipartisan bill makes our tax system even more progressive. That is, at the end of the day upper income families would be paying a greater share of taxes than lower income taxpayers.

I also have a message for those who claim this bill benefits the rich at the expense of the poor, and that it will jeopardize Medicare and Social Security. Those things just aren't true. This is a bipartisan bill. We'll spend at least \$3.5 trillion on Medicare in the next 10 years. That's more than 2.5 times the size of the tax cut. We wouldn't put forward bipartisan legislation that jeopardizes Medicare and Social Security. So I hope Americans will rest easy that this tax bill doesn't short-change one group of Americans at the expense of others.

My message to taxpayers is this: Substantial tax relief is on the way. The Government will ease its grip on your wallet. You deserve this. Now, the last time the Senate considered this bill, it turned the bill over and over and around and around. Some Members tried to huff and puff and blow this bill down. That didn't work. Like a house made of bricks, our bipartisan bill is standing strong. But a piece of legislation is only as good as the last vote it survives. Today, we are faced with a crucial vote. Let me say it again: This is a bipartisan bill.

I have described this legislation to remind Senators of the balanced approach that took place in crafting this bill; to highlight the fact that it reflects the views and priorities of a wide range of members on both sides of the aisle. I can assure my colleagues on the other side of the aisle that if Senator BAUCUS had not been present at the creation of this bill—it would have been a very different piece of legislation.

It is because of his efforts that there are many elements in this bill that members on the other side of the aisle can enthusiastically support. I am tired of reading in the press the constant carping of Senator BAUCUS' efforts to draft a bipartisan bill. It seems that while many are happy to talk about bipartisanship that can't stand to see bipartisanship practiced. We saw that happen the last time we brought this bill to the floor of the Senate.

I urge my colleagues to stop the petty partisanship and put the American taxpayers first. Now it is time for the Senate to send this much needed tax relief to the President for signature. America is waiting, and America is watching. Let's send them this historic tax relief package today.

Mr. President, I have 3 minutes, and I yield 1 minute to Senator HATCH.