

Mrs. LINCOLN. Mr. President, today we have the opportunity to demonstrate that bipartisanship is working in Washington.

We have before us what is no longer just the President's tax plan.

Just a few short weeks ago, the majority of our colleagues in the other body rubber stamped President Bush's plan that heavily tilted tax cuts to the rich while delaying most of them until after 2006. That plan would not have helped my State or many other southern States for that matter. In fact, almost 50 percent of the wage earners in Arkansas would not have received a tax cut under President Bush's original plan.

But with the input of Senate moderates, both Republican and Democrat, we have created tax cut opportunities for millions of low and middle income taxpayers almost immediately. We have stubbornly refused to give in to the argument that because people work for less than \$21,000 a year, they don't deserve a tax cut. They may not earn enough to pay income taxes but they are surely taxpayers in every sense of the word. They are hard working Americans who pay payroll taxes, sales taxes, excise taxes and just about every other form of tax other than the Federal income tax.

I am proud that the final plan before the Senate today recognizes their contribution to our economy.

I want to extend my gratitude to my colleague on the Finance Committee, Senator SNOWE from Maine. Together we have stood fast in our insistence that the child tax credit should be refundable so hard-working, low-income families would receive a tax cut. By doubling the child tax credit and making it refundable up to \$1,000, this tax

plan rewards hard work and recognizes that all Americans truly deserve a tax cut. I mean no disrespect to my male colleagues in this body, but I believe this provision might not exist in this plan had women not had a seat at the Finance Committee table.

Senate moderates have changed the President's original plan in other important ways.

The amount of income subject to the alternative minimum tax will be increased immediately. This is a critical issue which the President ignored. In fact, his original plan would have accelerated the pace at which middle income taxpayers are forced into the alternative minimum tax category. His tax cut would have actually resulted in a tax increase for some unfortunate taxpayers.

The revised tax plan will allow people to increase their contributions to IRAs and 401(k) plans, an extremely important change in an era when we have seen America's national savings rate drop to its lowest point in 40 years.

Another change expands the 15 percent tax bracket for married couples so that more of their income is subject to the lower tax.

And, while I believe that the top income tax rate of 35 percent could still be higher, I am gratified that Senate moderates forced a substantial increase from the President's original 33 percent rate.

We can thank bipartisanship in the U.S. Senate for making this plan better and one that truly accomplishes the promise of a tax cut for all Americans. The real thanks, however, goes all the way back to 1993 and to the American people. When our nation was deep in the deficit ditch, the U.S. Congress went to the people of this great nation and asked them to bare the burden of program cuts and higher taxes in order to balance the budget. We now have a balanced budget and budget surpluses and we can now responsibly lift that burden with gratitude to the citizens of this country.

I want to especially thank three of my distinguished colleagues on the Finance Committee, Senators GRASSLEY, BAUCUS and BREAUX, who have earnestly negotiated the final terms of this bill during the last days. I believe that in most important aspects, it remains true to the principles advanced by the Senate earlier this week.

MASSIVE TAX CUTS STARVE NATIONAL NEEDS