

AMENDMENTS TO H.R. 2488, AS REPORTED
OFFERED BY MR. ARCHER OF TEXAS

Page 10, strike the table after line 18 and insert the following:

“For taxable years beginning in calendar year—	The applicable percentage is—
2001 through 2003	1.0
2004	2.5
2005 through 2007	5.0
2008	7.5
2009 and thereafter	10.0.

1 In the case of taxable years beginning in calendar
2 year 2001, the rounding referred to in the preceding
3 sentence shall be to the next highest tenth.

4 “(9) POST-2001 RATE REDUCTIONS CONTIN-
5 GENT ON NO INCREASE IN INTEREST ON TOTAL
6 UNITED STATES DEBT.—

7 “(A) IN GENERAL.—In the case of taxable
8 years beginning after December 31, 2001, para-
9 graph (8) shall apply only to taxable years be-
10 ginning after the first debt reduction calendar
11 year.

12 “(B) DELAY OF FURTHER RATE REDUC-
13 TIONS IF INCREASE IN INTEREST ON TOTAL
14 UNITED STATES DEBT.—For each calendar year
15 after 2000 which is not a debt reduction cal-
16 endar year, the table in paragraph (8) shall be
17 applied for each subsequent calendar year by

1 substituting the calendar year which is 1 year
2 later. The preceding sentence shall cease to
3 apply after the earliest calendar year with re-
4 spect to which the applicable percentage under
5 paragraph (8) is 10 percent (after the applica-
6 tion of the preceding sentence).

7 “(C) DEBT REDUCTION CALENDAR
8 YEAR.—For purposes of this paragraph, the
9 term ‘debt reduction calendar year’ means any
10 calendar year after 2000 if, for the 12-month
11 period ending on July 31 of such calendar year,
12 the interest expense on the total United States
13 debt is not greater than such interest expense
14 for the 12-month period ending on July 31 of
15 the preceding calendar year.

16 “(D) TOTAL UNITED STATES DEBT.—For
17 purposes of this paragraph, the term ‘total
18 United States debt’ means obligations which
19 are subject to the public debt limit in section
20 3101 of title 31, United States Code.”

Page 16, line 24, strike “2007” and insert “2008”.

Page 17, line 7, strike “2002” and insert “2004”.

Page 17, line 8, strike “2008” and insert “2009”.

Page 17, strike the table after line 13 and insert the following new table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2005	80
2006	70
2007	60
2008	50.”

Page 18, lines 18 and 19, strike “2007” and insert “2008”.

Page 20, strike lines 1 through 6 and insert the following:

1 “(A) in the case of any taxable year begin-
2 ning in 2001 or 2002, \$50 (\$100 in the case
3 of a joint return),
4 “(B) in the case of any taxable year begin-
5 ning in 2003 or 2004, \$100 (\$200 in the case
6 of a joint return), and
7 “(C) in the case of any taxable year begin-
8 ning after 2004, \$200 (\$400 in the case of a
9 joint return).

Page 38, strike line 24 and all that follows through page 40, line 17, and insert the following:

“(2) a tax of 30 percent of the net capital gain
(or, if less, taxable income).

10 “(b) CROSS REFERENCES.—For computation of the
11 alternative tax—

1 “(1) in the case of life insurance companies, see
2 section 801(a)(2),

3 “(2) in the case of regulated investment compa-
4 nies and their shareholders, see section 852(b)(3)(A)
5 and (D), and

6 “(3) in the case of real estate investment
7 trusts, see section 857(b)(3)(A).”

8 (b) TECHNICAL AMENDMENTS.—

9 (1) Paragraphs (1) and (2) of section 1445(e)
10 are each amended by striking “35 percent” and in-
11 serting “30 percent”.

12 (2)(A) The second sentence of section
13 7518(g)(6)(A) is amended by striking “34 percent”
14 and inserting “30 percent”.

15 (B) The second sentence of section
16 607(h)(6)(A) of the Merchant Marine Act, 1936, is
17 amended by striking “34 percent” and inserting “30
18 percent”.

19 (c) EFFECTIVE DATES.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), the amendments made by this section
22 shall apply to taxable years beginning after Decem-
23 ber 31, 2004.

1 (2) WITHHOLDING.—The amendment made by
 2 subsection (b)(1) shall apply to amounts paid after
 3 December 31, 2004.

Page 41, strike line 16 and all that follows through
 the end of the page and insert the following:

4 “(2) CORPORATIONS FOR TAXABLE YEARS BE-
 5 GINNING AFTER 2004.—In the case of a corporation
 6 for any taxable year beginning after 2004 and before
 7 2009, the limitation under paragraph (1) shall be in-
 8 creased by the applicable percentage (determined in
 9 accordance with the following table) of the tentative
 10 minimum tax for the taxable year.

“For taxable years beginning in calendar year—	The applicable percentage is—
2005	20
2006	30
2007	40
2008	50.

Page 42, line 17, strike “2002” and insert “2004”.

Page 42, line 24, strike “2007” and insert “2008”.

Page 85, strike line 20 and all that follows through
 page 88, line 7, and insert the following new section:

11 **SEC. 611. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT**
 12 **TAX RATES.**
 13 (a) MAXIMUM RATE OF TAX REDUCED TO 50 PER-
 14 CENT.—

1 (1) IN GENERAL.—The table contained in sec-
2 tion 2001(c)(1) is amended by striking the 2 highest
3 brackets and inserting the following:

“Over \$2,500,000 \$1,025,800, plus 50% of the excess
over \$2,500,000.”

4 (2) PHASE-IN OF REDUCED RATE.—Subsection
5 (c) of section 2001 is amended by adding at the end
6 the following new paragraph:

7 “(3) PHASE-IN OF REDUCED RATE.—In the
8 case of decedents dying, and gifts made, during
9 2001, the last item in the table contained in para-
10 graph (1) shall be applied by substituting ‘53%’ for
11 ‘50%’.”

12 (b) REPEAL OF PHASEOUT OF GRADUATED
13 RATES.—Subsection (c) of section 2001 is amended by
14 striking paragraph (2) and redesignating paragraph (3),
15 as added by subsection (a), as paragraph (2).

16 (c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—
17 Subsection (c) of section 2001, as so amended, is amended
18 by adding at the end the following new paragraph:

19 “(3) PHASEDOWN OF TAX.—In the case of es-
20 tates of decedents dying, and gifts made, during any
21 calendar year after 2004 and before 2009—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (C), the tentative tax under this
24 subsection shall be determined by using a table

1 prescribed by the Secretary (in lieu of using the
 2 table contained in paragraph (1)) which is the
 3 same as such table; except that—

4 “(i) each of the rates of tax shall be
 5 reduced by the number of percentage
 6 points determined under subparagraph
 7 (B), and

8 “(ii) the amounts setting forth the tax
 9 shall be adjusted to the extent necessary to
 10 reflect the adjustments under clause (i).

11 “(B) PERCENTAGE POINTS OF REDUC-
 12 TION.—

“For calendar year:	The number of percentage points is:
2003	1.0
2004	2.0
2005	3.0
2006	4.0
2007	5.5
2008	7.5.

13 “(C) COORDINATION WITH INCOME TAX
 14 RATES.—The reductions under subparagraph
 15 (A)—

16 “(i) shall not reduce any rate under
 17 paragraph (1) below the lowest rate in sec-
 18 tion 1(c), and

19 “(ii) shall not reduce the highest rate
 20 under paragraph (1) below the highest rate
 21 in section 1(c).

1 “(D) COORDINATION WITH CREDIT FOR
2 STATE DEATH TAXES.—Rules similar to the
3 rules of subparagraph (A) shall apply to the
4 table contained in section 2011(b) except that
5 the Secretary shall prescribe percentage point
6 reductions which maintain the proportionate re-
7 lationship (as in effect before any reduction
8 under this paragraph) between the credit under
9 section 2011 and the tax rates under subsection
10 (c).”

11 (d) EFFECTIVE DATES.—

12 (1) SUBSECTIONS (a) AND (b).—The amend-
13 ments made by subsections (a) and (b) shall apply
14 to estates of decedents dying, and gifts made, after
15 December 31, 2000.

16 (2) SUBSECTION (c).—The amendment made by
17 subsection (c) shall apply to estates of decedents
18 dying, and gifts made, after December 31, 2004.

Page 278, strike line 1 and all that follows through
page 282, line 6.

Page 334, strike line 6 and all that follows through
page 336, line 13.

Page 345, strike line 10 and all that follows through
page 349, line 15.

Page 358, after line 2, insert the following new section:

1 **SEC. 1264. TREATMENT OF MULTIEMPLOYER PLANS UNDER**
2 **SECTION 415.**

3 (a) IN GENERAL.—Paragraph (11) of section 415(b)
4 (relating to limitation for defined benefit plans) is amended
5 to read as follows:

6 “(11) SPECIAL LIMITATION RULE FOR GOVERN-
7 MENTAL AND MULTIEMPLOYER PLANS.—In the case
8 of a governmental plan (as defined in section
9 414(d)) or a multiemployer plan (as defined in section
10 414(f)), subparagraph (B) of paragraph (1)
11 shall not apply.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to years beginning after December
14 31, 2000.

At the end of the bill insert the following new titles:

15 **TITLE XVII—COMMITMENT TO**
16 **DEBT REDUCTION**

17 **SEC. 1701. COMMITMENT TO DEBT REDUCTION.**

18 (a) FINDINGS.—The Congress finds that—

19 (1) the national debt of the United States held
20 by the public is \$3.619 trillion as of fiscal year
21 1999,

1 (2) the Federal budget is projected to produce
2 a surplus each year in the next 10 fiscal years, and

3 (3) refunding taxes and reducing the national
4 debt held by the public will assure continued eco-
5 nomic growth and financial freedom for future gen-
6 erations.

7 (b) SENSE OF CONGRESS.—It is the sense of the
8 Congress that the national debt held by the public shall
9 be reduced from \$3.619 trillion to a level below \$1.61 tril-
10 lion by fiscal year 2009.

11 **TITLE XVIII—BUDGETARY**
12 **TREATMENT**

13 **SEC. 1801. EXCLUSION OF EFFECTS OF THIS ACT FROM**
14 **PAYGO SCORECARD.**

15 Upon the enactment of this Act, the Director of the
16 Office of Management and Budget shall not make any es-
17 timate of changes in direct spending outlays and receipts
18 under section 252(d) of the Balanced Budget and Emer-
19 gency Deficit Control Act of 1985 resulting from the en-
20 actment of this Act.

 Conform the section numbering and the table of con-
 tents accordingly.