Tax Increases Meet Deficit Reduction Target

President Reagan continued his unbroken winning streak on budget issues when Congress gave final approval Aug. 19 to a $98.3 billion tax increase and $17.5 billion spending reduction package over three years.

But the victory came at a price. Faced with large budget deficits, Reagan was forced to abandon his tax-cutting philosophy of the previous year in an effort to raise the much-needed revenue.

Yet the final package (HR 4961 — PL 97-248) left untouched the heart of his 1981 tax-cut program — a three-year across-the-board reduction in individual income taxes. Instead, the new "revenue-enhancing" bill was labeled a reform and focused on closing tax loopholes and increasing taxpayer compliance with laws already on the books. It did, however, repeal some business tax breaks enacted in 1981 and imposed new excise taxes on individuals.

Election-year politics required the president's strong — albeit reluctant — support for the legislation. Members of both parties who found themselves in close re-election battles feared the wrath of the electorate if they voted for the tax increase without the backing of the popular president.

Besides, Democrats were reluctant to hand Republicans a legislative victory without forcing Reagan to share in the blame. House Speaker Thomas P. O'Neill Jr., D-Mass., and his Democratic lieutenants were critical to the 226-207 House vote to approve the tax increase. Without the support of 123 Democrats, the conference report on the tax/spending bill would have gone down in defeat. *(Vote 289, p. 84-H; defectors from Reagan, box, p. 38)*

But House Republican unity — the hallmark of the president's earlier successes — was broken by the tax bill fight. Conservative Republicans, led by staunch supply-sider Jack F. Kemp, R-N.Y., bolted from the party line. They argued that the middle of a recession was not the time to repudiate the 1980 election mandate to cut taxes and spending. Only 103 Republicans voted for the measure; 89 voted against it.

In the GOP-controlled Senate the vote was more clear-cut. Although 11 Republicans defected, for ideological or parochial reasons, nine Democrats voted for the measure on the final 52-47 tally that cleared the bill for the president's signature. *(Vote 337, p. 55-S)*

The bill was the last piece of the deficit reduction plan mandated by reconciliation instructions included in the fiscal 1983 budget resolution (S Con Res 92). In addition to its tax provisions, the measure revised Medicare, Medicaid and welfare programs to cut projected spending by $17.5 billion in fiscal 1983-85. Other provisions provided additional unemployment benefits for workers who had exhausted their benefits under existing law and extended authorizations for airport development and air traffic control programs. *(Reconciliation details, p. 199; Medicare, Medicaid, p. 471; welfare, p. 476; unemployment benefits, p. 43; airport programs, p. 333)*

Final Provisions

As signed into law Sept. 3, the Tax Equity and Fiscal Responsibility Act of 1982 (HR 4961 — PL 97-248) included the following revenue-raising provisions (effective Jan. 1, 1983, unless otherwise noted):

Business Taxes

Accelerated Depreciation, Investment Tax Credit. Required that taxpayers subtract half the value of any tax credits — for regular investment, historic rehabilitation or energy — before computing depreciation deductions for a new asset. Previously, taxpayers could depreciate the full value of the asset, even if they had received a 10 percent investment tax credit.

- Limited regular and rehabilitation tax credits to 85 percent of the liability in excess of $25,000 instead of the current 90 percent.
- Repealed provisions in the Economic Recovery Tax Act of 1981 (PL 97-34) that would have increased the benefits from accelerated depreciation in 1985 and again in 1986 by allowing greater deductions in the early years of an investment.

Corporate Tax Payments. Speeded up collection of corporate tax payments by raising from 80 percent to 90 percent the amount of estimated tax liability a firm must pay during its tax year to avoid penalty. However, any company whose tax payments through the year ended up between 80 and 90 percent of actual tax liability would be assessed only 75 percent of the penalty. The bill also moved up the deadline for final tax payments and increased the amount of estimated tax payment required of certain large corporations.

Possessions Tax Break. Limited a tax break for certain corporations earning income in Puerto Rico and U.S. possessions — mostly pharmaceutical firms — by disallowing credits for income from intangibles such as patents, copyrights and trade names. In general, companies would still be allowed to shelter investment income earned in Puerto Rico.

Foreign Oil and Gas Income. Repealed a tax break allowing oil and gas companies to shelter income through the use of credits and losses from foreign oil and gas extraction.

Corporate Tax Preferences. Reduced several business tax breaks by 15 percent, including special deductions for mining exploration and development, interest on debt used to purchase or carry tax-exempt securities, tax breaks for depletion of coal and iron ore, excess bad debt reserves, rapid write-off of pollution control facilities, certain tax breaks for selling structures, and subsidies for U.S. exporting firms.

- Reduced from 90 percent to 85 percent the amount of tax liability that could be offset by the 10 percent investment tax credit. Full tax breaks for intangible drilling costs could be taken, but would have to be spread over a five-year period for major oil producers, with most of the benefits in the first year.

These changes, imposed in addition to existing corporate minimum taxes, were an alternative to the administration's plan for a new minimum corporate tax.

Construction Deductions. Required corporations to amortize over 10 years interest and property taxes incurred during construction of non-residential real property.

Insurance Tax Breaks. Repealed an existing law allowing life insurance companies to shelter much of their income through a process called "modco," through which firms transferred some of their policyholder risks to other insurance companies and thus paid lower taxes. But in a

Tax Bill's Estimated Revenue Impact

(Fiscal years, in millions of dollars)

Provision	1983	1984	1985	1986	1987
Individual Income Tax provisions:					
Alternative minimum tax	$ (1)	$ 659	$ 701	$ 741	$ 729
Medical deduction	272	1,788	1,671	1,795	1,947
Ten percent casualty deduction floor	—	666	734	800	880
Total, individual tax provisions	272	3,113	3,106	3,336	3,556
Business Tax Provisions:					
Reduction in corporate preference items	515	936	948	918	995
Investment tax credit basis adjustment	362	1,374	2,658	4,109	5,579
Limit ITC to 85 percent of tax liability	152	259	213	178	164
1985-1986 ACRS changes	—	—	1,541	9,907	18,442
Construction period interest and taxes	555	1,179	1,206	1,084	819
Modifications to pre-ERTA and safe harbor leasing rules	1,036	2,649	4,252	5,496	7,000
Changes in taxation of foreign oil extraction income	200	438	508	569	621
Limit on possessions credit	201	428	473	516	559
Private purpose tax-exempt bonds	63	261	539	748	1,076
Mergers and acquisitions	427	749	959	1,014	1,064
Accounting for completed contracts	882	2,235	2,535	2,390	2,559
Original issue discount and coupon stripping	163	310	465	629	808
Targeted jobs credit	−182	−551	−591	−271	−54
Accelerate corporate tax payments	1,048	3,025	791	755	484
Total, business tax provisions	5,422	13,292	16,497	28,042	40,116
Compliance Provisions:					
Withholding on interest and dividends	1,344	5,246	3,975	4,605	5,181
Other compliance provisions	2,021	3,623	4,685	5,569	6,036
Total, compliance provisions	3,365	8,869	8,660	10,174	11,217
Pension Provisions	194	780	870	970	1,058
Life Insurance and Annuities	1,942	2,155	2,920	3,138	3,370
Employment Tax Provisions:					
Independent contractors	−117	−107	−79	−85	−92
FUTA tax	1,404	2,353	2,729	1,872	1,501
Federal employees Medicare tax	617	837	927	1,066	1,163
Total, employment tax provisions	1,904	3,083	3,577	2,853	2,572
Excise Tax Provisions:					
Airport and airway taxes	817	962	1,089	1,216	1,357
Telephone tax	616	1,073	1,600	730	—
Cigarette tax	1,275	1,829	1,859	−34	−13
Repeal of Trans Alaska Pipeline System adjustment	90	145	154	142	128
Total, excise tax provisions (net increase)	2,798	4,009	4,702	2,054	1,472
Miscellaneous Provisions:	−38	−37	−34	−32	−30
Total, tax provisions	15,859	35,264	40,298	50,535	63,331
Revenue gain resulting from additional IRS enforcement personnel	2,100	2,400	2,400	1,300	600
Grand Total, all tax provisions	**$17,959**	**$37,664**	**$42,698**	**$51,835**	**$63,931**

1 *Negligible.*

Source: Joint Committee on Taxation

concession to the life insurance industry — which had complained that, without modco, tax burdens would grow too large — the bill made other changes reducing industry taxes.

Multi-Year Contracts. Instructed the Treasury Department to tighten up regulations governing firms involved in long-term contracts — such as those in the construction and aerospace industries — that could defer tax payments through special accounting procedures. Contractors with annual gross receipts below $25 million for the three preceding years and contracts expected to be completed in less than three years were exempt.

Leasing. Restricted, and eliminated as of Jan. 1, 1984, the use of so-called "safe-harbor leasing" provisions in the 1981 tax bill that allowed firms to sell unused tax breaks. The new provision attempted to eliminate many of the "abuses" of the controversial 1981 provision by limiting to 50 percent the amount of tax liability that could be offset through purchase of such tax breaks and by not allowing leasing to be used to offset tax payments from previous years. In addition, the amount of property that could be leased and the length of the lease term were restricted.

The measure allowed companies to use 150 percent declining balance depreciation for lease transactions. But companies were required to take the investment tax credit over a five-year period compared with three years in the Senate bill.

As of 1984, the bill also would liberalize the use of traditional "leverage" leasing — transactions in which a company transfers tax breaks in reduced lease payments. This type of leasing transaction, however, would have to comply with restrictions that applied to safe-harbor leasing.

Corporate Mergers. Changed current law governing corporate mergers and acquisitions to prevent such actions from being taken only for tax advantages and to limit certain tax abuses. Most of the changes went into effect Sept. 1, 1982.

Payments to Foreign Officials. Allowed a business expense deduction for any payments to foreign officials or agents of a foreign government as long as the payment was legal under the Foreign Corrupt Practices Act.

Restaurant Tips. Required restaurants with more than 10 employees to take 8 percent of their gross income and allocate a share to each employee. The restaurant was required to report that amount under the employee's name to the Internal Revenue Service (IRS) each year. IRS would use the amount reported as a bench mark to measure the accuracy of the amount of tip income reported by the employee. This provision was to take effect April 1, 1983.

Individual Taxes

Medical and Casualty Deductions. Repealed the current deduction for one-half of health insurance premiums up to $150. The bill also allowed deductions for medical expenses exceeding 5 percent of a taxpayer's adjusted gross income, compared to the current 3 percent. After 1983, the provision allowing deductions for prescription drug costs greater than 1 percent of income was to be repealed. Casualty losses were to be deductible only if they exceeded 10 percent of adjusted gross income.

Pension Contributions. Restricted deductions for contributions to corporate pension plans, many of which had been used as tax shelters for wealthy individuals.

The bill lowered the limits on tax-deductible contributions to such plans and increased the allowable annual contribution for self-employed, or Keogh, retirement plans. For corporate, defined contribution benefit plans the maximum dollar limit on contributions was dropped to $30,000 a year from $45,475. For defined benefit plans, or those that allowed contributions necessary to produce a specified benefit level at retirement, the maximum benefit was cut from $136,425 to $90,000. The maximum tax-deferred pension contribution for the self-employed was doubled to $30,000 after 1983.

Federal Employees. Required federal employees to pay the 1.3 percent Federal Insurance Contributions Act (FICA) tax for Medicare coverage. Even though federal workers had not paid the tax previously, about 80 percent of retired federal employees over age 65 had been covered by Medicare because of previous non-government employment or through their spouses.

Individual Minimum Tax. Replaced existing minimum taxes on wealthy individuals with a more comprehensive "alternative" minimum tax that would prevent taxpayers from wiping out their tax liability with large deductions. Such taxpayers were required to increase their taxable income by the amount of certain tax breaks, called preference items, and pay a 20 percent tax on income above $30,000 for individuals, or 20 percent on income above $40,000 for couples filing joint returns.

The minimum tax was to be payable only to the extent that it exceeded regular taxes.

Tax Collection

Compliance. Beefed up compliance with existing tax law by requiring additional reporting of income, by increasing penalties for non-compliance and by strengthening IRS enforcement powers.

- Required the withholding of taxes from pension payments unless taxpayers requested otherwise and increased requirements for reporting tip income.
- Assumed Congress would appropriate funds for additional IRS agents and additional data processing equipment.
- Included provisions to improve tax compliance by so-called independent contractors and extended a congressional moratorium on IRS regulations dealing with independent contractors — which expired June 30 — to Jan. 1, 1983.

Interest and Dividend Withholding. Required withholding of 10 percent of interest and dividend payments, with exceptions for payments to certain low-income and elderly individuals, to tax-exempt institutions and to corporations. This provision would not become effective until July 1, 1983.

- Allowed Treasury to issue regulations giving financial institutions a chance to earn income on the withheld funds to cover administrative costs and to exempt certain small institutions from the requirements.

Other

Airport and Airway Trust Fund. Raised $2.8 billion in various taxes for the Airport and Airway Trust Fund by making changes that included: increasing the passenger ticket tax from 5 percent to 8 percent; raising the general aviation gasoline tax from 4 cents a gallon to 12 cents a gallon; imposing a 14-cent-a-gallon tax on jet fuel; and reinstating the 5 percent air freight waybill and $3 international departure ticket taxes. All the airport and airway taxes would expire after four years unless extended by Congress. The new taxes would go into effect Sept. 1, 1982.

• Authorized expenditures from the trust fund for airport development and air traffic control modernization.

Unemployment Insurance. Raised net unemployment taxes from .7 percent of the first $6,000 of wages to .8 percent of the first $7,000, for an increase of $6.4 billion for fiscal 1983-85. The increase was expected to cost approximately $1.20 a month for each employee. The federal tax rate was to be increased further in 1985 with the likely effect of pushing up state unemployment taxes.

• Increased the portion of unemployment compensation payments subject to the federal personal income tax in order to finance new supplemental unemployment benefits included in the bill. The income threshold was lowered from $20,000 to $12,000 for single taxpayers and from $25,000 to $18,000 for couples filing joint returns.

Telephone. Raised the current 1 percent telephone excise tax to 3 percent on Jan. 1, 1983. It would stay at that level for three years and then drop to zero after 1985.

Cigarettes. Doubled the excise tax on cigarettes from 8 cents to 16 cents a pack. This provision would expire Oct. 1, 1985.

Industrial Development Bonds. Restricted the use of tax-exempt industrial development bonds (IDBs) issued by state and local governments. The bill required public hearings and official approval of all IDBs, and required private users in most cases to forgo depreciation benefits enacted in 1981. No tax-exempt IDBs could be issued after Dec. 1, 1986. The bill also loosened limits on the use of tax-free mortgage subsidy bonds imposed by Congress in 1980. These changes generally would be effective after July 1, 1982. *(Mortgage subsidy bonds, 1980 Almanac p. 298)*

Other Bonds. Changed the tax treatment of so-called "original issue discount bonds" to limit tax breaks for issuers and tax penalties for those who purchase such bonds. The bill also limited tax advantages of bonds stripped of coupons.

Targeted Jobs Tax Credit. Extended the targeted jobs tax credit program for two more years, through 1985. The credit also was expanded to encourage summer employment of disadvantaged youths. *(1978 Almanac p. 219)*

Debt Management. Allowed the Treasury to offer variable interest rates on U.S. savings bonds and increased the ceiling for long-term bonds from $70 billion to $110 billion.

Studies. Instructed the secretary of the Treasury to study simplification of the tax system. The bill also called for an administration study on alternative ways to set monetary policy.

Windfall Profits. Repealed special windfall profits tax provisions for oil produced at Prudhoe Bay in Alaska.

Background

In 1981, President Reagan scored a legislative coup with the passage of the largest tax reduction bill (PL 97-34) in history. His legislation not only cut individual income taxes 25 percent over three years, but included major tax cuts to encourage new business investment. It was estimated the bill would reduce taxes approximately $749 billion over the following five years. *(1981 Almanac p. 91)*

Reagan promised the measure would bring economic recovery as businesses realized a larger return on investments and individuals were encouraged by lower marginal tax rates to work harder and to save more of their earnings.

But, not long after passage, it appeared that critics of the tax-cut program were more on the mark. As they had predicted, the economy did not improve. Instead, the large tax reductions drained the Treasury of much-needed revenue and, combined with high unemployment and low productivity, led to unprecedented growth in the federal budget deficit.

In September 1981, Reagan proposed additional revenues of $22 billion for fiscal years 1982-84 in an effort to close the deficit gap. But congressional response to raising taxes so soon after cutting them was unenthusiastic. The year ended with no action in Congress and no formal tax increase proposals from the administration.

By the start of 1982, the budget outlook had worsened. It soon became apparent that tax increases, as well as spending cuts, would again be required. The 1983 budget resolution (S Con Res 92) approved June 28 called for the two congressional tax-writing committees — House Ways and Means and Senate Finance — to find $98.3 billion in new taxes over three years and approximately $16 billion in spending cuts.

Despite Democratic calls for repeal or delay of Reagan's individual income tax cut program to meet these large revenue goals, the president held firm. He pushed instead for the closing of tax loopholes and increased taxpayer compliance.

Reagan Proposals

Reagan called for additional tax revenues during his State of the Union address Jan. 26 to help lower large projected budget deficits. Aides later outlined in more detail a package of $86.6 billion in new tax hikes for fiscal 1983-87.

Reagan rejected widespread advice to raise more revenue by increasing federal excise taxes, and reaffirmed his belief that his 1981 individual and business income tax-cut package would stimulate economic recovery. He told the nation he would not retreat from his original plan or "balance the budget on the backs of the American taxpayers."

Instead, Reagan vowed to "plug unwarranted tax loopholes" and strengthen the law requiring corporations to pay a minimum income tax. He also called for improved tax collection, including a requirement for faster corporate tax payments. *(Text of Reagan address, p. 3-E)*

One of Reagan's most controversial proposals was to withhold 5 percent of taxable interest and dividends, comparable to withholding income tax from wages.

A similar request by President Carter in 1980 was overwhelmingly rejected by Congress amid complaints that it would be an administrative nightmare and hurt retirees who relied on dividend payments to cover everyday expenses.

Under Reagan's plan, taxpayers aged 65 and over would be exempt if their total tax liability were less than $500. The administration argued in its favor that 9 percent to 16 percent of interest and dividend income was not reported, and estimated that $8.2 billion could be raised from the provision in fiscal years 1983-87.

More attractive to members of Congress — especially Republicans sensitive to charges that GOP policies favored the rich — was a proposal to strengthen the existing minimum tax on corporations. The new tax was intended to ensure that all profitable corporations would pay at least some income tax, according to Treasury Secretary Donald T. Regan.

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The administration also resurrected several "revenue-enhancing" plans it had proposed in September 1981. They included:

- Forbidding use of the so-called completed contract method of accounting, which allowed firms with multi-year contracts to delay payment of taxes until the projects were completed.
- Repealing special 10 percent to 15 percent energy tax credits for businesses. The administration dropped its original plan to seek repeal of energy tax credits for individuals.
- Restricting the use of tax-exempt industrial development bonds. The administration would have required public approval for such bonds and some financial commitment by the government issuer. It also would have prevented businesses benefiting from such bonds from using new accelerated depreciation tax breaks.
- Elimination of a tax code provision that allowed insurance companies to reduce their tax liability by transferring some of their policy risk to another firm.

The administration dropped its September proposal to tighten eligibility requirements for untaxable unemployment compensation benefits.

In addition, Reagan called for:

- A speedup of corporate income tax payments. Corporations had been required to pay at least 80 percent of their taxes in the current taxable year. Reagan would have increased this to 90 percent.
- An increase of 5,000 in the Internal Revenue Service enforcement staff. Regan estimated the Treasury would realize $4 in savings for each $1 spent on additional enforcement.
- Repeal of a provision allowing corporations to immediately write off interest and tax costs incurred during construction.

Lukewarm Reception

Reagan's proposals were met with mixed reaction in Congress. Few members were eager to boost taxes in an election year, but the prospect of record deficits made it difficult to pass up much-needed revenues.

Some members, including Senate Finance Committee Chairman Robert Dole, R-Kan., hinted that even higher tax increases might be necessary to get predicted deficits under control.

Committee aides were already looking at additional tax-hike proposals including ones to strengthen the minimum tax for individuals, as well as corporations, and to revise the controversial "safe-harbor" leasing provisions.

But other members of Congress were reluctant to backpedal on the tax-cutting trend that had been started the previous year by Reagan and his followers.

"We remain very concerned about the deficit numbers we're hearing," said Rep. Charles W. Stenholm, D-Texas, a leader of the Conservative Democratic Forum, a group of conservative House Democrats. "But you don't raise taxes in a recession. I don't think we even ought to be talking about tax increases today."

There were early indications the president's package might have trouble getting off the ground in the Democratic-controlled House Ways and Means Committee, still smarting from Reagan's 1981 tax-cut successes. Aides said committee Chairman Dan Rostenkowski, D-Ill., would have to be convinced of the administration's commitment to the package before the House panel would act.

Democrats were more interested in making an issue of repealing Reagan's three-year across-the-board cut in individual income taxes, than they were in helping him out of his budget predicament. They argued that the only way to get the budget deficit under control was to repeal or delay the income tax reduction scheduled for July of 1983. "We attempted too much too soon ... and the economy got indigestion," said Sen. Ernest F. Hollings, D-S.C.

Administration Changes

In the months following Reagan's tax increase proposals, economic conditions continued to worsen. The administration soon realized that its "revenue-raising" plans would be insufficient to keep the deficit below $100 billion, an administration goal.

By May, Reagan and Senate Budget Committee Republicans settled on a proposal to raise taxes by $95 billion for fiscal years 1983-1985 to accompany certain spending cuts. But Reagan did not specify how that revenue target would be met, and insisted the money could be raised without altering the personal income tax cuts enacted the previous year.

Heated exchanges between House Ways and Means Committee Democrats and Treasury Secretary Regan May 5 foreshadowed tough days ahead on the tax issue. Regan was called before the House panel to present new revenue-raising options above and beyond those proposed by the president earlier in the year.

While acknowledging that more had to be done to cut the deficit, Regan refused to lay out any new ideas. Instead, he reaffirmed the administration's commitment to its economic program. "We sent our budget up and apparently it was rejected.... Now we'd like to see if the Congress has any suggestions," he said.

But interspersed with the political rhetoric, Regan hinted there were some areas where the administration already had begun to modify its original tax-increase plans.

The Treasury secretary:

- Said the administration would consider changing new "leasing" provisions, the most controversial element of the 1981 tax law. He proposed imposing a cap on the amount of tax liability a firm could offset through leasing, and prohibiting firms from using leasing to get refunds from taxes paid in prior years.
- Said the administration was looking at changes in the 1981 business depreciation benefits to prevent firms from getting what amounted to an investment subsidy. He added, however, that exceptions should be made for some distressed industries.
- Indicated that Treasury was considering allowing firms to use the existing 10 percent investment tax credit to help offset the effects of Reagan's proposed minimum tax on corporations.
- Announced that the president's February budget proposal to withhold taxes from interest and dividend income — which had met with heavy opposition — had been withdrawn.

Tax-Hike Options

Some members of Congress took seriously Regan's challenge to come up with their own suggestions on raising revenues. With the Ways and Means Committee assuming a back-seat role, Dole's Finance Committee staff started to draw up extensive option lists.

Dole originally said that he would prefer to pass one or two "big ticket" revenue-raisers rather than to propose numerous small tax increases that could be shot down by interest groups. But it soon became apparent that proposals raising the most revenue — an energy tax and changes in Reagan's income-tax cut program — were also the most controversial.

A $5-a-barrel oil import fee — which was pushed by Senate Republican leaders for a three-year savings of $32.4 billion — had little support in the House, and opposition to the fee quickly grew in both houses amid reports that it would hurt Northeastern consumers hardest while aiding domestic oil producers. A proposed gasoline tax was criticized for imposing too great a burden on low- and middle-income taxpayers.

In addition, Reagan remained steadfast in his opposition to any tampering with his income tax cut program — and Dole acceded.

Only one revenue-raising idea gained quick, almost across-the-board acceptance — the beefing up of tax compliance measures. For many members, faced with a mandate to reduce the federal budget deficit, raising revenues by clamping down on those who did not pay their tax bills was politically more palatable than trying to find new taxes to raise. An estimated $95 billion in taxes went uncollected in 1981 alone, according to the IRS.

Both Rostenkowski and Dole introduced similar legislation (HR 6300, S 2198) designed to reduce tax noncompliance by increasing penalties, IRS enforcement powers and the use of tax withholding.

Senate Committee Action

With the House showing little inclination to take its constitutionally required lead on raising taxes, the Senate Finance Committee made the first move. On July 2, the committee approved a package of approximately $98 billion in new taxes and other revenue raisers for fiscal years 1983-85. *(Spending cut package, p. 199)*

The straight party-line vote of 11-9 came at the end of a 15-hour markup session, following several days of closed-door negotiations among committee Republicans and administration officials to come up with a package they all could support.

The final plan, reported July 12 (S Rept 97-494), differed greatly from the tax increases proposed by Reagan earlier in the year. It would raise approximately $21 billion in fiscal 1983, $34 billion in fiscal 1984 and $43 billion in fiscal 1985 — meeting the committee's reconciliation requirements set by the first budget resolution for fiscal 1983.

The proposed tax increases affected both individuals and businesses and included higher taxes on cigarettes and airplane tickets, a minimum tax for high-income individuals and restrictions on deductions for pensions and health costs. Unexpectedly, it included the controversial plan to withhold taxes from interest and dividends.

The bill also cut back some of the business tax breaks approved the previous year, including the controversial leasing provisions, and took steps to improve taxpayer compliance. Left intact was President Reagan's three-year cut in individual income taxes.

The committee circumvented the constitutional requirement that all revenue-raising measures originate in the House by attaching its package to HR 4961, a minor tax bill passed by the House in 1981. *(1981 Almanac p. 116)*

Committee Democrats, who tried unsuccessfully to defeat several provisions in the Republican-crafted legislation, elicited from Dole a tentative agreement to allow one floor vote on repealing the 1983 individual tax cut — which had become a symbol of partisan dispute over economic policy.

An amendment by ranking minority member Russell B. Long, D-La., to defer the 10 percent tax cut indefinitely for all those with high incomes — raising $37 billion over three years — was defeated in committee by a vote of 7-12.

Shaky Coalition

Indicative of the problems awaiting the measure was the shaky GOP coalition in committee in support of the bill.

The Republicans on the panel had tentatively agreed in caucus June 30 to a package of tax increases — most of which were retained in the final bill — that met the committee's revenue targets. But during the course of the markup four Republicans jumped ship and voted to reject the controversial proposal to withhold taxes from interest and dividends. The panel quickly recessed so Republicans could find a way to make up the $12 billion in revenues the measure was expected to raise.

Dole — who had called earlier for total repeal of the troublesome tax leasing provision — hinted that repeal of leasing might be necessary to make up for the committee's rejection of the withholding plan.

But after some back-room bargaining, the committee returned and adopted the withholding provision by a vote of 11-9.

Under the plan, 10 percent withholding was to be applied to all interest and dividend payments, except those made to elderly and low-income individuals, corporations and tax-exempt institutions.

The measure also included several provisions intended to appease banks and other groups who were strongly opposed to withholding. One such provision shortened from one year to six months the time an investor was required to hold on to an investment before profits were taxed at a lower, long-term capital gains rate.

Another provision gave the Treasury Department authority to allow institutions withholding interest and dividends a time lapse in turning the funds over to the Treasury to help pay their administrative costs.

After the withholding vote, the committee went on to approve an amendment by David Durenberger, R-Minn., to restrict the tax leasing provision, raising $7.6 billion for fiscal 1983-85.

Durenberger's plan included several restrictions to prevent some of the most widely publicized "abuses" of the leasing provision, which had allowed some profitable corporations to wipe out their entire tax liability and receive refunds for past tax payments by selling unused tax breaks.

Also included in the Finance measure was retention through 1987 of a leasing tax break for public mass transit facilities with contracts signed before March 31, 1983.

Closing Loopholes

Republicans included in the committee bill other provisions that were designed to counter charges that the party was cutting the budget deficit largely by reducing government spending on programs for the poor.

The largest revenue raiser in the measure was expected to bring in $17.5 billion in revenues over three years by clamping down on tax avoidance and improving IRS enforcement powers.

The bill modified one of the most controversial provisions in Dole's original compliance legislation (S 2198) by making it easier for employers to report employee tip income.

Also included in the package was a minimum-type tax on both corporations and individuals, expected to raise approximately $3.5 billion over three years. The individual minimum would have required high-income taxpayers who use large deductions to wipe out their tax liability to pay an alternative tax equal to 15-20 percent of certain deductions. It was expected to affect only 200,000 individuals.

Corporations also were required to reduce the value of certain tax breaks by 15 percent. This change, however, would have raised only about one-fourth of the $12 billion for fiscal 1983-85 that had been projected for the administration's corporate minimum tax proposal.

The committee also put restrictions on deductions for contributions to corporate pension plans, which had received widespread publicity as tax shelters for highly paid professionals. The committee bill lowered limits on tax-free contributions to such plans, limited outstanding loans an individual could have from such a plan and froze the indexing of contribution limits for two years.

Other Action

Many of the provisions in the bill, however, were changes directly affecting individual taxpayers. These included an increase in the floor on allowable deductions for unreimbursed medical and casualty expenses to 10 percent of adjusted gross income. The medical expense deduction provision was later changed on the Senate floor and then again in conference.

Other individual tax hikes that remained largely unchanged included an increase in federal unemployment, telephone excise and cigarette taxes.

The committee also agreed to require federal employees to pay a 1.3 percent Social Security tax for Medicare coverage.

The committee made several changes in business tax breaks, including some that were enacted in the 1981 tax bill.

Members voted to:

- Require firms to reduce the value of an asset by half of any investment tax credits they received before depreciating the asset.
- Repeal provisions in the 1981 tax bill that would have permitted additional accelerated depreciation of new assets in 1985 and 1986.
- Accept a compromise stopgap proposal that would limit use of the "modco" insurance tax break.
- Restrict the so-called completed contract method of accounting used by contractors.
- Restrict the use of private purpose tax-exempt industrial development bonds.
- Make a series of complex changes in current law to limit tax-motivated mergers and acquisitions.
- Speed up estimated corporate income tax payments.

The committee also agreed to raise $3.8 billion in revenues for fiscal 1983-85 for the Airport and Airway Trust Fund, as part of a bigger package on airport development. The bill increased the passenger ticket tax from 5 percent to 8 percent, raised taxes on general aviation gasoline and jet fuel and restored the international departure ticket tax of $3 per person.

The committee also extended the targeted jobs tax credit program through 1985 and gave the Treasury authority to offer variable interest rates on U.S. savings bonds. *(Previous extension, 1981 Almanac p. 91)*

Senate Floor Action

The Senate voted early July 23 to accept the Finance Committee bill by a largely party-line vote of 50-47. Despite strong pressure from lobbyists and general unwillingness among members to raise taxes during an election year, the package put together by the Finance Committee was kept largely intact during the lengthy session that began July 22. *(Vote 257, p. 44-S)*

All Democrats voting voted against the measure, and were joined by Republicans Paula Hawkins, Fla., Robert W. Kasten Jr., Wis., and Mack Mattingly, Ga. Independent Harry F. Byrd Jr., Va., voted for the bill.

The Senate action was the first major test of congressional willingness to comply with the reconciliation requirements in the fiscal 1983 budget resolution. As passed, the bill met the committee's spending and revenue mandate.

The bill — which generally had White House backing — raised revenues mainly by closing loopholes and beefing up tax compliance. But it also increased cigarette, telephone and unemployment taxes and required the withholding of some taxes on interest and dividends. Most of the spending cuts affected health programs and increased out-of-pocket costs for recipients.

Finance Committee Chairman Dole was able to fend off most floor challenges, in part because of his thinly veiled threat to impose even tougher tax increases if the bill was sent back to committee. Still, he hit a serious, last-minute snag.

Shortly before the 4:30 a.m. final vote, an amendment by David Pryor, D-Ark., to delete an unpopular provision requiring employers to report employee tip income was adopted by a vote of 70-25. *(Vote 252, p. 44-S)*

The move left the package some $2.8 billion short of the committee's revenue target, threatening final passage. But after some procedural maneuvering, Dole offered an amendment to allow deductions for only half the cost of business — so-called "three-martini" — lunches, covering the entire $2.8 billion shortfall.

Adoption of the amendment, in apparent retaliation for the restaurant industry's strong opposition to the tip provision, paved the way for final passage.

Interest, Dividend Withholding

The most critical vote, however, came earlier over the committee's proposal to withhold 10 percent of interest and dividend income, a plan strongly opposed by banks and other financial institutions.

An amendment by Kasten and Hollings to delete the withholding plan and strengthen interest and dividend reporting instead, was defeated by a vote of 48-49 — but only after some arm-twisting and compromising by Dole. *(Vote 247, p. 43-S)*

Republican leaders considered the provision essential because it raised over $12 billion in fiscal years 1983-85 and there was little prospect for finding another tax increase that large to replace it. It was feared that rejection of the withholding plan could mean collapse of the carefully crafted bill.

To meet some of the objections to withholding, Dole modified the committee plan, exempting individuals with prior-year tax liabilities below $600 ($1,000 for couples). In addition, a proposal by Don Nickles, R-Okla., to require withholding only for those with annual interest and dividends exceeding $100 was adopted 97-0. *(Vote 246, p. 43-S)*

Democratic Challenges

The biggest symbolic challenge to the bill came from Democrats who charged that the large tax-increase package was made necessary by overly generous tax cuts enacted in 1981 and by the failure of the Reagan administration's economic recovery program to work.

They proposed that, instead of cutting spending for health care and raising taxes on individuals, the Senate delay scheduled individual income tax cuts — but only for the wealthy — until the federal budget was balanced.

The Democratic alternative was defeated by a largely party-line vote of 45-54. It would have deferred the 10 percent individual income tax cut scheduled for 1983 for couples earning over $78,700 a year until the federal budget was balanced. Those earning below $46,500 would have received the full tax cut, and those earning in-between would have had their cut reduced. *(Vote 234, p. 41-S)*

In exchange for the $25 billion expected to be raised by reducing the tax cuts, the Democratic plan would have deleted proposals to increase excise taxes on cigarettes and telephone service, to raise federal unemployment taxes and to raise the floor on deductible medical and casualty expenses. It also would have restored some Medicare spending.

Dole warned members, however, that tinkering with the scheduled individual income tax cuts would lead to a presidential veto of the entire package.

Republicans Lowell P. Weicker Jr., Conn., and Mark O. Hatfield, Ore., voted for the Democratic plan. Edward Zorinsky, D-Neb., and Byrd, Va., voted against it.

A later amendment by George J. Mitchell, D-Maine, to redistribute the 1983 tax cut so that it would benefit more of those earning under $50,000 also was defeated, 43-53. *(Vote 245, p. 43-S)*

Spending Changes

Surprisingly little opposition was raised to spending cuts of $4.2 billion for fiscal 1983, $6.0 billion in fiscal 1984 and $7.3 billion for fiscal 1985 that were included in the package.

An amendment by Durenberger to reduce proposed Medicare cuts was the only major change to the spending side of the package. His proposal, adopted by a vote of 99-0, restored approximately $400 million over the next three years. *(Vote 236, p. 42-S)*

The amended measure left the deductible for part B (which pays physicians' fees) at its current level of $75 for 1983, and increased it to approximately $78 in 1984 and $80 in 1985. The committee bill would have raised the deductible each year — up to approximately $89 in 1985 — to reflect increases in the cost of living.

The amendment also would end, or "sunset," after 1985 a provision requiring Medicare premiums to equal approximately 25 percent of program costs. It also revised a committee measure requiring a 5 percent co-payment — estimated at approximately $2 for 1983 — for all home health care visits by making the first 20 visits free.

The Durenberger plan was adopted after an attempt by Max Baucus, D-Mont., to eliminate all three Medicare provisions from the bill for an increase in spending of $1.5 billion over the next three years.

Baucus' proposal was rejected by a vote of 46-53, but eight Republicans voted for it. Durenberger's promise to offer his compromise package following the vote was credited with preventing more GOP defections. *(Vote 235, p. 42-S)*

A proposal by John Heinz, R-Pa., to allow Medicare reimbursement for so-called "hospice" care for the terminally ill also was adopted.

Other Floor Compromises

The GOP concessions on Medicare were among several changes Dole agreed to in an attempt to ensure passage of the package.

When debate began July 19, Dole offered several modifications to the committee bill, in addition to the withholding changes, to dilute much of the opposition to the measure.

The major modification was to lower the floor for medical expense deductions from 10 percent of adjusted gross income — as proposed by the committee — to 7 percent. To pay for the change, the bill was revised to lower from $150 to $100 the maximum deduction for medical insurance premiums.

The Senate also adopted a Dole modification to speed up corporate tax payments and to change the due dates for certain tax penalty payments.

Another compromise was worked out on the committee's plan to double the excise tax on cigarettes from 8 cents to 16 cents a pack, raising almost $5 billion over three years.

After several attempts by tobacco-state senators to defeat or dilute the measure, an amendment by Jesse Helms, R-N.C., to restore the 8-cent rate after three years was approved by a vote of 60-37. *(Vote 240, p. 42-S)*

Other concessions were made in revising provisions to restrict the use of IDBs and to include interest from tax-exempt bonds in an expanded minimum tax on wealthy individuals. Two separate amendments were adopted that would exclude the interest from state and local tax-exempt bonds as a so-called preference item subject to the new minimum tax. Proponents argued that such a tax could be unconstitutional and would hurt the already ailing municipal bond market.

In addition, an amendment by Alfonse D'Amato, R-N.Y., to allow "small issue" IDBs until 1987, instead of 1985 as in the committee bill, was adopted by voice vote.

Additional Changes

One of the major sweeteners added to the package was a proposal by William L. Armstrong, R-Colo., to index the value of some assets subject to capital gains taxes to reflect increases in the cost of living.

The amendment, adopted by a vote of 64-32, would have had a major impact on investments because any gains made on them would have been taxed only to the extent that the profits exceeded inflation. It would have applied only to investments in stock and real property. *(Vote 243, p. 43-S)*

The provision was especially attractive to investors because the committee bill also reduced the time an asset must be held to qualify for lower capital gains taxes from one year to six months. This had been included in part to appease financial firms upset over interest and dividend withholding.

Both provisions were later dropped in conference.

Defeats

Several major challenges to the committee bill were defeated, mostly because of Republican cohesion. They included:

- A move by Lloyd Bentsen, D-Texas, to delete a proposal for increasing unemployment insurance taxes $6.7 billion over the following three years. Bentsen, whose plan was rejected 48-51, argued that the tax would hit small businesses the hardest and hurt economic recovery. *(Vote 237, p. 42-S)*

- An amendment by Howard M. Metzenbaum, D-Ohio, that would have prohibited proposed increases in unemployment taxes unless unemployment benefits were extended for an additional 13 weeks. It was defeated by a vote of 48-49 after Dole announced that his committee would hold hearings on extended jobless benefits July 29. *(Vote 248, p. 43-S)*
- A Baucus amendment to repeal the 1981 tax leasing provisions. The amendment was defeated 31-66. *(Vote 253, p. 44-S)*
- A Mattingly amendment to strike provisions from the bill that would limit business depreciation tax breaks approved in the 1981 tax bill and the use of the investment tax credit. The amendment was defeated, 23-72. *(Vote 242, p. 42-S)*

Airport, Airway Development

Early debate on the bill was bogged down by an amendment to authorize spending for the Airport and Airway Development Program (ADAP).

The proposal, offered by Commerce Committee Chairman Bob Packwood, R-Ore., was adopted by a vote of 93-5 but only after two challenges to its germaneness were defeated. *(Vote 232, p. 41-S)*

The amendment authorized the Airport and Airway Trust Fund to spend approximately $20 billion through fiscal 1987 on airport and airway development programs and to help fund plans for upgrading the nation's air traffic control system. The program was to be funded by increased airline-ticket taxes and other aviation taxes included in the Finance bill.

The spending provisions had been put together by the Commerce Committee but were attached to the Finance bill in committee in an attempt to end a stalemate over ADAP funding.

Democrats made two unsuccessful attempts to defeat the authorization provision. They argued that it was non-germane and that the Finance Committee's procedure could lead to a host of non-germane amendments added to future reconciliation bills.

House Action

Following Senate passage, the Ways and Means Committee — which had been expected to begin markup of a similar tax-increase bill during Senate floor debate — made a surprise move.

Unable to agree in closed-door negotiations what should go into a revenue-raising package, the committee voted July 28 to forgo writing its own tax bill and to go straight to conference on HR 4961. Technically, it could do this because the House had acted already on the minor tax measure amended by the Senate.

Four Republicans — Barber B. Conable Jr., N.Y.; Bill Frenzel, Minn.; Guy Vander Jagt, Mich.; and Bill Archer, Texas — sided with the Democratic majority on the 26-7 vote. Democrat James M. Shannon, Mass., voted against going straight to conference.

Later that day, the full House agreed by a vote of 208-197 to go along with the Ways and Means Committee plan. *(Vote 213, p. 62-H)*

The action meant that the House — including the tax-writing Ways and Means Committee — would have little hand in shaping the legislation. It was a chore many election-minded House members were not sorry to miss, and which Democrats were glad to unload on Republicans.

Republicans charged during floor debate that Democrats were shirking their constitutional duty so that they could blame the GOP for the controversial tax and spending legislation. John H. Rousselot, R-Calif., called the step a "total cop-out," but his resolution challenging its constitutionality was tabled, 229-169. *(Vote 212, p. 62-H)*

Democrats and some Republicans, including ranking Ways and Means minority member Conable, insisted however that the House bypass was the only practical way to get tax increases enacted quickly in an election year.

The House agreed 299-89 to a Conable motion to instruct conferees to meet the revenue-raising and spending-cut targets mandated by the budget resolution. *(Vote 214, p. 62-H)*

Conference Action

The conference agreement, reported Aug. 17 (H Rept 97-760), was crafted over eight grueling days of meetings. Raising taxes in an election year — coupled with cutting benefits and reducing the growth in politically sensitive social programs — proved to be every bit as painful as had been predicted.

Despite the drawn-out conference, made even more complicated than normal by the lack of a House-passed bill, the outlines of the conference report mirrored closely the bill approved by the Finance Committee and passed by the Senate.

Early in the deliberations conferees agreed to one of the most controversial tax increases — the withholding of taxes on income from interest and dividends. Most remaining tax decisions, however, were delayed until conferees resolved major philosophical differences on the spending cut side — principally in the welfare area.

Spending Cuts

The hang-up in the spending portion of HR 4961 involved welfare and Medicaid increases being pushed by House Democrats, who wanted to restore reductions enacted in the 1981 reconciliation bill. By some estimates, these changes would have added $1 billion to the cost of Aid to Families with Dependent Children (AFDC) and Medicaid over fiscal 1983-85.

The House add-ons were adamantly opposed by Long, the ranking Senate Democrat on the conference committee. He argued that the conferees should try "to get the genie back in the bottle as far as spending is concerned."

House conferees finally yielded after senators agreed to go along with several welfare and unemployment provisions the House supported.

As approved by the conferees, the spending package would make legislative savings totaling $15.2 billion over fiscal 1983-85. But under the guidelines governing reconciliation, the conferees were allowed to count as savings non-legislative items, such as debt management, which raised total savings to $17.5 billion over the next three years.

Major elements of the spending cut package included:

- New limits on Medicare reimbursement rates for hospitals for routine operating costs.
- A requirement that the Department of Health and Human Services develop, within a year of enactment, a

procedure for "prospective" payments under which hospitals and nursing facilities would be paid a set amount based on anticipated costs for Medicare patients.

- A prohibition against reimbursements for surgical assistants in teaching hospitals except in unusual medical circumstances.
- A limit on the inflation adjustment used to calculate the reimbursement for physician fees.
- Medicaid co-payment provisions that allow states to specify a maximum nominal fee for hospital, physician, outpatient and clinic services.
- Rounding of AFDC recipients' benefit payments to the next lower dollar.
- An optional program for states to establish employment search programs for welfare recipients.
- Reductions in the portion of a family's AFDC grant for shelter costs if the family shares living quarters with other individuals.
- Reductions in the federal matching rate for state administrative costs under the child support enforcement program.

Tax Increases

Once the welfare problem was worked out, resolution of the spending differences fell into place. Chief among the tax-hike difficulties were the business tax increases contained in the Senate-passed bill.

The Senate bill raised more than $38 billion in business taxes largely by cutting back depreciation tax write-offs and by making major reforms in the "safe harbor" leasing provisions.

House Republicans, led by Conable, tried to convince House Democrats and the Senate conferees to relax some of the business tax increases. Even with the aid of several major business lobbying groups, however, Conable was unable to make major changes in the business tax provisions, although several were softened slightly.

Conferees dropped Senate provisions that liberalized the treatment of capital gains by reducing the holding period that distinguishes long-term from short-term capital gains and losses from one year to six months. They also dropped a Senate floor amendment that would have indexed long-term capital gains taxation to account for inflation after Dec. 31, 1984.

The conferees did an about-face on a provision added on the Senate floor that would have limited deductions for business meals — better known as the 1½-martini lunch. Conferees agreed to go along with a provision requiring restaurants to report employee tip income that had failed on the Senate floor.

Restaurateurs had lobbied heavily and successfully in the Senate against the tip reporting requirement, but found the business lunch provision that was passed in its place even more distasteful.

The conferees went beyond the Senate bill in strengthening the minimum tax on wealthy individuals, nearly tripling the revenue increase to $1.3 billion over the next three years.

Other taxes on individuals included in the Senate bill were accepted with little change. However, conferees agreed to allow deductions for medical costs exceeding 5 percent of adjusted gross income, instead of the 7 percent approved by the Senate. To pay for the change, conferees agreed to eliminate the current $150 deduction for health insurance premiums.

After wrangling over the tax increases and spending reductions, conferees happily agreed to add one "sweetener" to the bill — a provision that would extend unemployment benefits for 6-10 weeks for workers whose current benefits had expired.

Defections From Reagan

The following representatives voted with President Reagan on three major economic votes in 1981 but voted against him on the 1982 tax increase. The 1981 votes were on Republican substitutes for the first fiscal 1982 budget resolution, the omnibus reconciliation savings bill and the 1981 tax cut bill. *(Vote 289, p. 84-H; votes 30, 102, 166, 1981 Almanac pp. 20-H, 42-H, 58-H)*

Republicans (88) Dickinson, Ala.; Smith, Ala.; Young, Alaska; Bethune, Ark.; Hammerschmidt, Ark.; Clausen, Calif.; Shumway, Calif.; Fiedler, Calif.; Moorhead, Calif.; Rousselot, Calif.; Lungren, Calif.; Dreier, Calif.; Lewis, Calif.; Dannemeyer, Calif.; Lowery, Calif.; Brown Colo.; Kramer, Colo.; Gingrich, Ga.; and

Craig, Idaho; Hansen, Idaho; Crane, P., Ill.; Corcoran, Ill.; Crane, D., Ill.; Hiler, Ind.; Myers, Ind.; Deckard, Ind.; Jeffries, Kan.; Winn, Kan.; Whittaker, Kan.; Snyder, Ky.; Rogers, Ky.; Hopkins, Ky.; Moore, La.; Heckler, Mass.; Siljander, Mich.; Hagedorn, Minn.; Weber, Minn.; Stangeland, Minn.; Taylor, Mo.; Bailey, Mo.; Emerson, Mo.; Daub, Neb.; and

Smith, N.J.; Rinaldo, N.J.; Carney, N.Y.; McGrath, N.Y.; LeBoutillier, N.Y.; Molinari, N.Y.; Gilman, N.Y.; Solomon, N.Y.; Wortley, N.Y.; Lee, N.Y.; Kemp, N.Y.; Johnston, N.C.; Martin, N.C.; Hendon, N.C.; McEwen, Ohio; Kindness, Ohio; Miller, Ohio; Edwards, Okla.; Smith, Ore.; Schulze, Pa.; Coyne, Pa.; Shuster, Pa.; and

Ritter, Pa.; Walker, Pa.; Spence; S.C.; Campbell, S.C.; Napier, S.C.; Roberts, S.D.; Duncan, Tenn.; Beard, Tenn.; Collins, Texas; Archer, Texas; Fields, Texas; Loeffler, Texas; Paul, Texas; Hansen, Utah; Trible, Va.; Bliley, Va.; Daniel, Va.; Robinson, Va.; Parris, Va.; Wampler, Va.; Wolf, Va.; Staton, W.Va.; Roth, Wis.; Sensenbrenner, Wis.;

Democrats (12). Nichols, Ala.; Shelby, Ala.; Stump, Ariz.; Hutto, Fla.; Chappell, Fla.; McDonald, Ga.; Evans, Ga.; Barnard, Ga.; Santini, Nev.; S. Hall, Texas; Stenholm, Texas; Daniel, Va.

Final Action

Lobbying both for and against the final package was as intense as lobbying gets in Washington.

Having been warned by members on both sides of the aisle that passage was impossible without presidential backing, Reagan pulled out all the stops in the final days before the scheduled vote on the conference report. Scores of members visited with him at the White House and Camp David, in groups and individually.

To assuage Democrats' fears that a vote for the tax increase might be used against them in the upcoming election campaign, Reagan promised personal letters to members who supported the bill thanking them for their vote. The Republican National Committee committed $400,000 for advertisements beseeching citizens to urge their representatives to vote for the bill.

Trying to counter the president and the leadership of both parties, the chairman of the American Conservative Union, Rep. Mickey Edwards, R-Okla., sent colleagues a memo warning that the tax vote would be counted on ACU's annual vote rating. A vote for the bill would be a "double negative." A vote against would be a "double plus."

In a sidelong effort to defeat the bill, a number of House members filed a suit in federal court challenging the constitutionality of the legislation, because it was born in the Senate.

Also working against the bill were lobbyists fighting to protect special interests against proposed tax hikes.

But the measure cleared its first hurdle when the House accepted a closed rule barring separate votes on individual provisions in the conference version.

This tight rule was opposed by a sizable number of members — most of whom favored a vote to delete the provision requiring banks, savings and loans and investment firms to withhold taxes from interest and dividend income. But House Minority Whip Trent Lott, R-Miss., and others argued that "if we try opening this package of tax and spending cuts at this point, and then succeed in knocking just one provision out on a point of order or a vote, then we risk losing the whole package for good."

The effort to revise the rule failed on a 220-210 procedural vote, and the closed rule was adopted 253-176. *(Votes 287, 288, p. 84-H)*

Within an hour of final House passage, the Senate took up the conference report.

Finance Committee Chairman Dole found that he had picked up some new allies for his cause since the earlier floor debate. Edward M. Kennedy, D-Mass., announced before the final tally that he would vote for the conference report — in large part because it contained tax reforms he had been sponsoring for years.

The Senate dismissed 68-27 a point of order raised by John P. East, R-N.C., who objected that the conference report contained provisions that had not been included in the Senate-passed bill and therefore were non-germane. *(Vote 336, p. 55-S)*

Reagan signed the bill without comment Sept. 3. ■

New Job Training Program Replaces CETA

Congress completed action Oct. 1 on new job training legislation (S 2036 — PL 97-300) to replace the expiring Comprehensive Employment and Training Act (CETA).

Final action came when the House approved the conference report on the bill by a 339-12 vote. The Senate had approved the conference report by a 95-0 vote Sept. 30. *(House vote 368, p. 110-H; Senate vote 375, p. 63-S)*

President Reagan signed the bill Oct. 13.

The new program authorized by the bill provided training in job skills to the low-income unemployed. Unlike CETA, it did not pay for public service employment for the jobless. *(CETA background, 1981 Almanac p. 108, 1978 Almanac p. 287)*

S 2036 gave more power to state governments in running job training programs. CETA had operated largely through city and county governments. In addition, the legislation provided for a greatly expanded role for private businesses in operating local training programs.

The bill did not set a specific funding level for the new program. But when S 2036 passed the Senate, sponsors estimated annual spending at $3.8 billion.

President Reagan repeatedly had prodded Congress to finish work on the bill, but there was never any real question that it would be enacted. Throughout its legislative history, S 2036 and its House companion (HR 5320) enjoyed overwhelming bipartisan support. The Senate had passed S 2036 by a 95-0 vote July 1; the House approved HR 5320 by a 356-52 vote Aug. 4. *(Vote 207, p. 37-S; vote 233, p. 68-H)*

In the face of rising unemployment and growing concern about its effects on Republican congressional candidates, the White House in the weeks before final approval of the bill had placed major emphasis on the legislation, which had languished in relative obscurity for most of the year.

Public discussion of the legislation in its final stages was marred by some confusion about the relationship between the job training bill and the $1 billion Democratic jobs bill that passed the House Sept. 16. That bill (H J Res 562), based on legislation reported by the Education and Labor Committee earlier in the year, established a new program to provide an estimated 200,000 public works jobs for the unemployed. *(Public works jobs bill, p. 60)*

Reagan several times suggested that the two bills were somehow in conflict, and that House Speaker Thomas P. O'Neill Jr., D-Mass., was holding up the training bill in order to push the Democrats' public works jobs program.

In fact, House Democratic leaders had not opposed the job training bill at any point, although they favored a version that was different in certain important aspects from the one backed by the administration.

Final Provisions

As signed into law, S 2036 (PL 97-300):

- Stated that the purpose of the bill was to aid youths and unskilled adults in entering the job market, and to provide job training to low-income individuals who faced serious problems in finding work.
- Authorized open-ended funding, for fiscal 1983 and thereafter, for the programs established by the bill, with specific requirements of $618 million for the Job Corps in fiscal 1983 and $2 million a year for the National Commission for Employment Policy; also set a maximum funding level for veterans', Indians,' migrant farm workers' and other programs.

Structure of Programs

- Gave the governor of each state the authority to designate, within certain limitations, the "service delivery areas," which would be the units of government within which the job training programs would operate.
- Required a governor to approve a request to be a service delivery area from any unit of local government, or group of local government units, with a population of at least 200,000; the provision also applied to rural areas that had operated job programs under the expired CETA.
- Required each local service delivery area to establish a

CQ Senate Votes 334 - 337

Corresponding to Congressional Record Votes 334, 335, 336, 337

	334	335	336	337
ALABAMA				
Denton	Y	Y	N	Y
Heflin	N	Y	N	N
ALASKA				
Murkowski	Y	Y	Y	Y
Stevens	N	Y	Y	Y
ARIZONA				
Goldwater	N	N	Y	N
DeConcini	Y	Y	Y	N
ARKANSAS				
Bumpers	N	N	N	N
Pryor	N	N	N	N
CALIFORNIA				
Hayakawa	N	Y	Y	Y
Cranston	N	N	Y	Y
COLORADO				
Armstrong	Y	Y	Y	Y
Hart	N	N	Y	Y
CONNECTICUT				
Weicker	N	N	Y	N
Dodd	N	N	Y	Y
DELAWARE				
Roth	Y	Y	Y	Y
Biden	N	Y	Y	N
FLORIDA				
Hawkins	Y	N	Y	N
Chiles	N	?	?	?
GEORGIA				
Mattingly	Y	Y	Y	N
Nunn	N	Y	Y	N
HAWAII				
Inouye	N	N	Y	N
Matsunaga	?	N	Y	Y
IDAHO				
McClure	Y	Y	N	Y
Symms	Y	Y	Y	Y
ILLINOIS				
Percy	Y	Y	Y	Y
Dixon	N	Y	N	N
INDIANA				
Lugar	Y	Y	Y	Y
Quayle	Y	Y	Y	Y
IOWA				
Grassley	Y	Y	Y	Y
Jepsen	Y	N	Y	Y
KANSAS				
Dole	Y	Y	Y	Y
Kassebaum	N	Y	Y	Y
KENTUCKY				
Ford	Y	N	Y	N
Huddleston	N	Y	N	N
LOUISIANA				
Johnston	Y	Y	?	N
Long	Y	Y	Y	N
MAINE				
Cohen	N	Y	Y	Y
Mitchell	N	N	N	N
MARYLAND				
Mathias	N	N	Y	Y
Sarbanes	N	N	N	N
MASSACHUSETTS				
Kennedy	N	N	Y	Y
Tsongas	N	N	Y	Y
MICHIGAN				
Levin	N	Y	Y	N
Riegle	N	N	N	N
MINNESOTA				
Boschwitz	N	Y	Y	Y
Durenberger	N	N	Y	Y
MISSISSIPPI				
Cochran	N	Y	Y	Y
Stennis	Y	Y	Y	N
MISSOURI				
Danforth	N	Y	Y	Y
Eagleton	N	N	N	N
MONTANA				
Baucus	N	Y	Y	Y
Melcher	N	N	N	N
NEBRASKA				
Exon	Y	Y	N	N
Zorinsky	Y	N	N	N
NEVADA				
Laxalt	Y	Y	Y	Y
Cannon	N	N	N	N
NEW HAMPSHIRE				
Humphrey	Y	Y	N	N
Rudman	N	Y	Y	Y
NEW JERSEY				
Brady	N	Y	Y	Y
Bradley	N	Y	Y	Y
NEW MEXICO				
Domenici	Y	Y	Y	Y
Schmitt	N	Y	Y	N
NEW YORK				
D'Amato	Y	Y	Y	Y
Moynihan	N	N	Y	N
NORTH CAROLINA				
East	Y	Y	N	N
Helms	Y	Y	N	N
NORTH DAKOTA				
Andrews	N	Y	Y	Y
Burdick	N	N	N	N
OHIO				
Glenn	N	Y	N	N
Metzenbaum	N	N	Y	N
OKLAHOMA				
Nickles	Y	Y	Y	N
Boren	N	Y	N	N
OREGON				
Hatfield	N	Y	Y	Y
Packwood	N	Y	Y	Y
PENNSYLVANIA				
Heinz	N	Y	Y	Y
Specter	N	Y	Y	Y
RHODE ISLAND				
Chafee	N	Y	Y	Y
Pell	N	Y	Y	Y
SOUTH CAROLINA				
Thurmond	Y	Y	?	Y
Hollings	N	N	N	N
SOUTH DAKOTA				
Abdnor	Y	Y	Y	Y
Pressler	Y	Y	Y	Y
TENNESSEE				
Baker	N	Y	Y	Y
Sasser	?	N	N	N
TEXAS				
Tower	N	Y	Y	Y
Bentsen	N	Y	Y	N
UTAH				
Garn	Y	Y	Y	Y
Hatch	Y	Y	Y	Y
VERMONT				
Stafford	N	Y	?	Y
Leahy	N	Y	Y	N
VIRGINIA				
Warner	Y	Y	?	N
Byrd*	Y	Y	Y	N
WASHINGTON				
Gorton	N	Y	Y	Y
Jackson	N	N	Y	N
WEST VIRGINIA				
Byrd	N	N	N	N
Randolph	Y	N	N	N
WISCONSIN				
Kasten	Y	Y	N	N
Proxmire	Y	N	N	N
WYOMING				
Simpson	?	Y	Y	Y
Wallop	N	Y	Y	Y

KEY

- Y Voted for (yea).
- # Paired for.
- + Announced for.
- N Voted against (nay).
- X Paired against.
- \- Announced against.
- P Voted "present".
- C Voted "present" to avoid possible conflict of interest.
- ? Did not vote or otherwise make a position known.

Democrats *Republicans*

ND - Northern Democrats SD - Southern Democrats (Southern states - Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., Okla., S.C., Tenn., Texas, Va.)

**Byrd elected as an independent.*

334. H J Res 520. Temporary Debt Limit Increase. Helms, R-N.C., motion to table (kill) the Weicker, R-Conn., amendment to make clear that the Justice Department can enforce the Constitution and to make clear that nothing in the debt ceiling bill should be interpreted to modify or diminish the authority of the federal courts to fully enforce the Constitution. Rejected 38-59: R 28-25; D 10-34 (ND 5-25, SD 5-9), Aug. 18, 1982.

335. HR 6955. Omnibus Reconciliation Act of 1982. Adoption of the conference report on the bill to reduce the federal budget for fiscal years 1983, 1984 and 1985 by approximately $13.3 billion. Adopted 67-32: R 48-6; D 19-26 (ND 10-21, SD 9-5), Aug. 18, 1982. A "yea" was a vote supporting the president's position.

336. HR 4961. Budget Reconciliation Tax Increases/Spending Cuts. Judgment of the Senate affirming the chair's ruling rejecting the East, R-N.C., point of order that the conference report on the bill contained certain provisions that were not germane. Ruling of the chair upheld 68-27: R 45-6; D 23-21 (ND 17-14, SD 6-7), Aug. 19, 1982.

337. HR 4961. Budget Reconciliation Tax Increases/Spending Cuts. Adoption of the conference report on the bill to increase revenues by $98.3 billion in fiscal 1983-85 and reduce projected spending by $17.5 billion in fiscal 1983-85 in compliance with the fiscal 1983 budget resolution. Adopted (thus cleared for the president) 52-47: R 43-11; D 9-36 (ND 9-22, SD 0-14), Aug. 19, 1982. A "yea" was a vote supporting the president's position.

CQ House Votes 283 - 289

283. HR 6863. Supplemental Appropriations, Fiscal 1982. Rudd, R-Ariz., motion that the House agree to a Senate amendment to help the U.S. copper industry by requiring that all proceeds from sales of material in the government's national defense stockpile between July 31, 1982, and Oct. 1, 1983, be used to purchase copper, mined and smelted in the United States after July 31, 1982, for the stockpile. Motion rejected 62-339: R 29-144; D 33-195 (ND 26-127, SD 7-68), Aug. 18, 1982. A "nay" was a vote supporting the president's position.

284. S 2248. Department of Defense Authorizations, Fiscal 1983. Adoption of the conference report on the bill to authorize $177,867,548,000 for Defense Department programs in fiscal year 1983. Adopted 251-148: R 129-48; D 122-100 (ND 58-92, SD 64-8), Aug. 18, 1982.

285. Procedural Motion. Petri, R-Wis., motion to approve the House *Journal* of Wednesday, Aug. 18. Motion agreed to 366-27: R 165-13; D 201-14 (ND 129-13, SD 72-1), Aug. 19, 1982.

286. HR 4961. Budget Reconciliation Tax Increases/Spending Cuts. Rostenkowski, D-Ill., motion to table (kill) the Rousselot, R-Calif., resolution (H Res 571) to return HR 4961 to the Senate with a message that the Senate amendments and conference actions were not in accord with the Constitution and were an infringement on the privileges of the House. Motion agreed to 268-144: R 82-101; D 186-43 (ND 132-21, SD 54-22), Aug. 19, 1982.

287. HR 4961. Budget Reconciliation Tax Increases/Spending Cuts. Bolling, D-Mo., motion to order the previous question (thus ending debate and the possibility of amendment) on the rule (H Res 569) providing for House floor consideration of the conference report on the bill. Motion agreed to 220-210: R 75-116; D 145-94 (ND 97-64, SD 48-30), Aug. 19, 1982.

288. HR 4961. Budget Reconciliation Tax Increases/Spending Cuts. Adoption of the rule (H Res 569) providing for House floor consideration of the conference report on the bill to raise revenues by $98.3 billion in fiscal 1983-85 and reduce projected spending by $17.5 billion in fiscal 1983-85 in compliance with the fiscal 1983 budget resolution. Adopted 253-176: R 88-102; D 165-74 (ND 112-49, SD 53-25), Aug. 19, 1982.

289. HR 4961. Budget Reconciliation Tax Increases/Spending Cuts. Adoption of the conference report on the bill to raise revenues by $98.3 billion in fiscal 1983-85 and reduce projected spending by $17.5 billion in fiscal 1983-85 in compliance with the fiscal 1983 budget resolution. Adopted 226-207: R 103-89; D 123-118 (ND 93-69, SD 30-49), Aug. 19, 1982. A "yea" was a vote supporting the president's position.

KEY

Y Voted for (yea).
\# Paired for.
\+ Announced for.
N Voted against (nay).
X Paired against.
\- Announced against.
P Voted "present".
C Voted "present" to avoid possible conflict of interest.
? Did not vote or otherwise make a position known.

Democrats *Republicans*

	283	284	285	286	287	288	289
ALABAMA							
1 *Edwards*	N	Y	Y	Y	Y	Y	Y
2 *Dickinson*	N	Y	N	?	Y	N	N
3 Nichols	N	Y	Y	Y	Y	Y	N
4 Bevill	N	Y	Y	Y	Y	Y	N
5 Flippo	N	Y	Y	Y	Y	Y	N
6 *Smith*	N	Y	Y	N	N	N	N
7 Shelby	N	Y	?	N	Y	Y	N
ALASKA							
AL *Young*	Y	Y	?	N	N	N	N
ARIZONA							
1 *Rhodes*	Y	?	Y	Y	Y	Y	Y
2 Udall	Y	Y	Y	Y	Y	Y	Y
3 Stump	Y	Y	Y	N	Y	N	N
4 *Rudd*	Y	Y	Y	N	N	N	Y
ARKANSAS							
1 Alexander	Y	Y	Y	Y	Y	Y	N
2 *Bethune*	N	N	Y	N	N	N	N
3 *Hammerschmidt*	Y	Y	Y	N	N	Y	N
4 Anthony	N	N	Y	Y	Y	Y	Y
CALIFORNIA							
1 *Chappie*	N	Y	Y	N	Y	Y	Y
2 *Clausen*	Y	Y	Y	N	N	N	N
3 Matsui	N	Y	Y	Y	Y	Y	Y
4 Fazio	N	Y	Y	Y	Y	Y	Y
5 Burton, J.	?	X	?	?	Y	Y	N
6 Burton, P.	N	N	Y	Y	Y	Y	N
7 Miller	N	N	Y	Y	Y	Y	Y
8 Dellums	N	N	?	?	Y	Y	N
9 Stark	N	N	?	Y	Y	Y	Y
10 Edwards	N	N	Y	Y	Y	Y	Y
11 Lantos	N	Y	Y	Y	Y	Y	N
12 *McCloskey*	N	N	?	N	Y	Y	Y
13 Mineta	N	N	Y	Y	Y	Y	Y
14 *Shumway*	N	Y	Y	N	N	N	N
15 Coelho	N	N	Y	Y	Y	Y	Y
16 Panetta	N	N	Y	Y	Y	Y	Y
17 *Pashayan*	N	N	?	N	N	N	Y
18 *Thomas*	N	Y	Y	N	Y	Y	Y
19 *Lagomarsino*	N	Y	Y	N	N	N	Y
20 *Goldwater*	?	?	?	?	N	Y	Y
21 *Fiedler*	N	Y	Y	N	N	Y	N
22 *Moorhead*	Y	Y	Y	N	Y	Y	N
23 Beilenson	N	N	Y	Y	Y	Y	Y
24 Waxman	N	N	Y	Y	Y	Y	Y
25 Roybal	N	N	Y	N	Y	Y	N
26 *Rousselot*	Y	Y	Y	N	N	N	N
27 *Dornan*	N	Y	Y	N	N	Y	Y
28 Dixon	N	N	Y	Y	Y	Y	N
29 Hawkins	N	N	Y	Y	N	Y	N
30 Martinez	N	N	Y	Y	N	N	N
31 Dymally	N	N	Y	Y	Y	Y	N
32 Anderson	N	Y	Y	N	N	N	N
33 *Grisham*	N	N	Y	Y	Y	Y	Y
34 *Lungren*	N	Y	Y	N	N	N	N
35 *Dreier*	N	Y	Y	N	N	N	N
36 Brown	N	N	?	Y	N	N	Y
37 *Lewis*	N	Y	Y	N	N	N	N
38 Patterson	N	Y	N	Y	N	N	N
39 *Dannemeyer*	N	Y	Y	N	Y	N	N
40 *Badham*	Y	Y	Y	Y	Y	Y	Y
41 *Lowery*	N	Y	Y	N	N	N	N
42 *Hunter*	N	Y	Y	Y	Y	Y	Y
43 *Burgener*	Y	Y	Y	Y	Y	Y	Y
COLORADO							
1 Schroeder	Y	N	N	Y	N	N	N
2 Wirth	N	N	Y	Y	Y	Y	Y
3 Kogovsek	Y	Y	Y	Y	Y	Y	N
4 *Brown*	N	N	N	N	N	N	N
5 *Kramer*	N	Y	Y	N	N	N	N
CONNECTICUT							
1 Kennelly	N	Y	Y	Y	N	Y	Y
2 Gejdenson	N	Y	N	Y	N	Y	Y
3 *DeNardis*	N	N	Y	Y	N	Y	Y
4 *McKinney*	N	N	?	Y	N	N	Y
5 Ratchford	Y	Y	Y	Y	Y	Y	N
6 *Moffett*	?	X	?	?	Y	Y	Y
DELAWARE							
AL *Evans*	N	Y	?	Y	N	Y	Y
FLORIDA							
1 Hutto	N	Y	Y	N	N	N	N
2 Fuqua	N	Y	Y	Y	N	N	N
3 Bennett	N	Y	Y	Y	Y	Y	Y
4 Chappell	?	?	?	?	?	?	N
5 *McCollum*	N	Y	Y	N	N	N	Y
6 *Young*	N	Y	Y	N	N	Y	Y
7 Gibbons	N	Y	Y	Y	Y	Y	Y
8 Ireland	N	Y	Y	Y	Y	Y	Y
9 Nelson	N	Y	Y	Y	Y	Y	Y
10 *Bafalis*	?	?	?	?	?	?	Y
11 Mica	N	Y	Y	Y	Y	Y	Y
12 *Shaw*	N	Y	Y	N	N	N	Y
13 Lehman	N	N	Y	Y	Y	Y	Y
14 Pepper	N	Y	Y	Y	Y	Y	Y
15 Fascell	N	Y	Y	Y	Y	Y	Y
GEORGIA							
1 Ginn	?	?	Y	N	N	N	N
2 Hatcher	N	Y	Y	Y	N	N	N
3 Brinkley	N	Y	Y	Y	Y	Y	N
4 Levitas	N	Y	Y	N	Y	Y	N
5 Fowler	N	Y	Y	Y	Y	Y	Y
6 *Gingrich*	N	Y	Y	N	N	N	N
7 McDonald	N	Y	Y	N	N	N	N
8 Evans	N	Y	Y	N	N	N	N
9 Jenkins	Y	Y	Y	Y	N	Y	N
10 Barnard	N	Y	Y	Y	N	Y	N
HAWAII							
1 Heftel	?	?	?	?	Y	Y	Y
2 Akaka	N	Y	?	Y	Y	Y	Y
IDAHO							
1 *Craig*	N	Y	Y	N	Y	N	N
2 *Hansen*	N	Y	Y	N	Y	N	N
ILLINOIS							
1 Washington	N	N	N	Y	N	N	N
2 Savage	N	N	?	?	N	N	N
3 Russo	Y	N	Y	Y	Y	Y	Y
4 *Derwinski*	Y	Y	Y	Y	Y	Y	Y
5 Fary	N	Y	Y	Y	Y	Y	Y
6 *Hyde*	N	Y	Y	N	Y	Y	Y
7 Collins	N	N	Y	Y	N	N	Y
8 Rostenkowski	N	Y	Y	Y	Y	Y	Y
9 Yates	N	?	N	Y	Y	Y	Y
10 *Porter*	?	N	Y	N	N	N	Y
11 Annunzio	N	Y	Y	Y	Y	Y	Y
12 *Crane, P.*	N	Y	Y	N	N	N	N
13 *McClory*	N	Y	Y	Y	Y	Y	Y
14 *Erlenborn*	N	Y	Y	Y	Y	Y	Y
15 *Corcoran*	N	Y	+	-	N	N	N
16 *Martin*	N	N	Y	Y	Y	Y	Y
17 *O'Brien*	?	#	Y	Y	Y	Y	Y
18 *Michel*	?	Y	Y	Y	Y	Y	Y
19 *Railsback*	?	?	Y	Y	Y	Y	Y
20 *Findley*	N	N	Y	Y	Y	Y	Y
21 *Madigan*	?	?	Y	Y	Y	Y	Y
22 *Crane, D.*	N	Y	Y	N	N	N	N
23 Price	N	Y	Y	Y	Y	Y	Y
24 Simon	N	N	Y	Y	Y	Y	Y
INDIANA							
1 Benjamin	N	N	Y	Y	Y	Y	Y
2 Fithian	N	N	Y	N	N	N	N
3 *Hiler*	N	Y	Y	N	Y	Y	N
4 *Coats*	Y	N	Y	Y	Y	Y	Y
5 *Hillis*	N	Y	Y	Y	Y	Y	Y
6 Evans	N	Y	Y	N	N	N	N
7 *Myers*	N	Y	Y	N	N	N	N
8 *Deckard*	N	Y	Y	N	N	N	N
9 Hamilton	N	Y	Y	Y	N	N	Y
10 Sharp	N	Y	Y	Y	N	N	Y
11 Jacobs	N	Y	N	N	N	N	N
IOWA							
1 *Leach*	N	N	Y	Y	N	N	Y
2 *Tauke*	N	N	Y	Y	N	N	Y
3 *Evans*	N	N	N	Y	N	N	Y
4 Smith	N	N	Y	Y	N	N	N
5 Harkin	N	N	N	Y	N	N	Y
6 Bedell	N	N	Y	Y	N	N	Y

ND - Northern Democrats SD - Southern Democrats

Corresponding to Congressional Record Votes 296, 297, 298, 299, 300, 301, 303

	283	284	285	286	287	288	289
KANSAS							
1 *Roberts*	N	N	Y	Y	N	N	Y
2 *Jeffries*	N	Y	Y	N	N	N	N
3 *Winn*	N	Y	Y	Y	N	Y	N
4 Glickman	N	N	Y	Y	Y	Y	Y
5 *Whittaker*	N	Y	Y	N	N	N	N
KENTUCKY							
1 Hubbard	N	N	Y	N	N	N	N
2 Natcher	Y	Y	Y	N	N	N	N
3 Mazzoli	N	Y	Y	Y	Y	Y	N
4 *Snyder*	N	Y	Y	N	N	N	N
5 *Rogers*	N	Y	Y	N	N	N	N
6 *Hopkins*	N	Y	Y	N	N	N	N
7 Perkins	N	Y	Y	Y	N	N	N
LOUISIANA							
1 *Livingston*	N	Y	Y	N	Y	Y	Y
2 Boggs	Y	Y	Y	Y	Y	Y	Y
3 Tauzin	N	Y	Y	N	Y	Y	N
4 Roemer	N	Y	N	Y	Y	Y	Y
5 Huckaby	N	?	Y	Y	Y	Y	Y
6 *Moore*	N	Y	Y	N	Y	N	N
7 Breaux	N	?	Y	Y	Y	Y	Y
8 Long	N	Y	Y	Y	Y	Y	Y
MAINE							
1 *Emery*	N	Y	Y	Y	N	Y	Y
2 *Snowe*	N	N	Y	Y	N	N	Y
MARYLAND							
1 Dyson	N	Y	?	Y	Y	Y	N
2 Long	N	Y	Y	Y	Y	Y	Y
3 Mikulski	N	Y	Y	Y	N	N	N
4 *Holt*	?	#	?	?	N	N	Y
5 Hoyer	N	Y	Y	Y	Y	Y	N
6 Byron	N	Y	?	Y	Y	Y	Y
7 Mitchell	N	N	N	Y	N	Y	N
8 Barnes	N	Y	N	Y	Y	Y	N
MASSACHUSETTS							
1 *Conte*	Y	N	Y	Y	N	Y	Y
2 Boland	Y	Y	Y	Y	Y	Y	Y
3 Early	N	N	Y	Y	Y	?	Y
4 Frank	N	N	Y	N	N	N	N
5 Shannon	N	N	Y	Y	Y	Y	Y
6 Mavroules	Y	Y	Y	Y	N	N	N
7 Markey	N	N	N	Y	Y	Y	Y
8 O'Neill							
9 Moakley	Y	N	Y	Y	Y	Y	Y
10 *Heckler*	Y	N	Y	N	N	N	N
11 Donnelly	Y	N	Y	Y	Y	Y	Y
12 Studds	N	N	Y	N	N	Y	N
MICHIGAN							
1 Conyers	N	N	Y	Y	Y	Y	Y
2 *Pursell*	N	N	Y	Y	Y	Y	Y
3 Wolpe	N	N	Y	Y	Y	Y	Y
4 *Siljander*	N	Y	Y	N	N	N	N
5 *Sawyer*	N	Y	Y	Y	Y	Y	Y
6 *Dunn*	?	Y	Y	Y	Y	Y	Y
7 Kildee	N	N	Y	N	N	N	Y
8 Traxler	N	N	Y	Y	Y	Y	N
9 *Vander Jagt*	?	?	Y	Y	Y	Y	Y
10 Albosta	N	N	Y	N	Y	Y	N
11 *Davis*	Y	Y	Y	Y	N	Y	Y
12 Bonior	N	N	Y	Y	Y	Y	Y
13 Crockett	N	N	Y	N	Y	Y	N
14 Hertel	N	N	Y	Y	N	N	N
15 Ford	N	?	Y	Y	Y	Y	Y
16 Dingell	N	Y	Y	Y	Y	Y	Y
17 Brodhead	?	N	Y	Y	Y	Y	Y
18 Blanchard	?	N	Y	Y	Y	Y	N
19 *Broomfield*	N	Y	Y	Y	Y	Y	Y
MINNESOTA							
1 *Erdahl*	N	N	Y	Y	N	Y	Y
2 *Hagedorn*	N	Y	Y	N	N	N	N
3 *Frenzel*	N	N	Y	Y	Y	Y	Y
4 Vento	N	N	Y	Y	Y	Y	Y
5 Sabo	N	N	N	Y	Y	Y	Y
6 *Weber*	N	N	Y	N	N	N	N
7 *Stangeland*	Y	N	Y	N	N	N	N
8 Oberstar	N	N	P	Y	Y	Y	Y
MISSISSIPPI							
1 Whitten	N	?	Y	N	N	Y	N
2 Bowen	N	Y	?	?	Y	Y	Y
3 Montgomery	N	Y	Y	Y	Y	Y	Y
4 Dowdy	N	Y	Y	N	N	N	N
5 *Lott*	Y	Y	Y	Y	Y	Y	Y
MISSOURI							
1 Clay	N	N	N	Y	N	N	N
2 Young	N	Y	Y	Y	Y	Y	Y
3 Gephardt	Y	Y	Y	Y	Y	Y	Y
4 Skelton	N	Y	Y	N	N	N	N
5 Bolling	?	?	Y	Y	Y	Y	Y
6 *Coleman*	N	Y	Y	Y	N	Y	Y
7 *Taylor*	Y	Y	Y	N	N	N	N
8 *Bailey*	N	Y	Y	N	N	N	N
9 Volkmer	?	?	?	Y	N	N	N
10 *Emerson*	N	Y	N	N	N	N	N
MONTANA							
1 Williams	Y	N	?	N	N	N	Y
2 *Marlenee*	N	Y	Y	N	N	N	Y
NEBRASKA							
1 *Bereuter*	N	N	Y	Y	N	N	Y
2 *Daub*	N	Y	Y	N	N	N	N
3 *Smith*	N	N	Y	Y	Y	Y	Y
NEVADA							
AL Santini	Y	Y	?	N	N	N	N
NEW HAMPSHIRE							
1 D'Amours	N	N	Y	Y	N	N	N
2 *Gregg*	N	Y	Y	N	N	N	Y
NEW JERSEY							
1 Florio	N	N	Y	Y	N	N	N
2 Hughes	N	N	Y	N	N	N	Y
3 Howard	N	Y	Y	Y	N	Y	N
4 *Smith*	N	Y	Y	N	N	N	N
5 *Fenwick*	N	N	Y	Y	Y	Y	Y
6 *Forsythe*	N	N	N	Y	N	Y	Y
7 *Roukema*	N	N	Y	Y	N	Y	Y
8 Roe	N	Y	Y	Y	N	N	N
9 *Hollenbeck*	?	N	Y	Y	N	N	Y
10 Rodino	N	N	Y	Y	N	Y	Y
11 Minish	N	Y	Y	Y	N	Y	N
12 *Rinaldo*	N	Y	Y	N	N	N	N
13 *Courter*	N	Y	Y	Y	N	N	Y
14 Guarini	N	N	Y	Y	Y	Y	Y
15 Dwyer	N	Y	Y	Y	Y	Y	Y
NEW MEXICO							
1 *Lujan*	Y	Y	Y	Y	N	N	Y
2 *Skeen*	Y	Y	Y	N	Y	Y	Y
NEW YORK							
1 *Carney*	N	Y	Y	N	N	N	N
2 Downey	N	N	Y	Y	Y	Y	Y
3 *Carman*	N	?	Y	Y	N	N	Y
4 *Lent*	N	Y	Y	N	N	?	Y
5 *McGrath*	N	Y	Y	N	N	N	N
6 *LeBoutillier*	N	Y	Y	N	N	N	N
7 Addabbo	N	N	Y	Y	N	N	N
8 Rosenthal	?	?	?	?	Y	Y	Y
9 Ferraro	N	Y	Y	Y	Y	Y	N
10 Biaggi	N	Y	Y	Y	N	Y	Y
11 Scheuer	N	N	Y	Y	Y	Y	+
12 Chisholm	?	N	?	?	Y	N	N
13 Solarz	N	N	Y	Y	Y	Y	Y
14 Richmond	N	X	Y	Y	Y	Y	Y
15 *Zeferetti*	N	Y	Y	Y	N	N	N
16 Schumer	N	N	Y	Y	N	Y	Y
17 *Molinari*	N	Y	Y	Y	N	N	N
18 *Green*	N	N	Y	Y	N	N	Y
19 Rangel	N	N	Y	Y	Y	Y	Y
20 Weiss	N	N	Y	Y	Y	N	Y
21 Garcia	N	N	Y	Y	Y	Y	N
22 Bingham	N	N	Y	?	Y	Y	Y
23 Peyser	N	N	Y	Y	N	N	N
24 Ottinger	N	N	P	N	N	N	N
25 *Fish*	N	Y	Y	Y	N	Y	Y
26 *Gilman*	N	Y	Y	N	N	N	N
27 McHugh	N	N	Y	Y	Y	Y	Y
28 Stratton	N	Y	Y	N	Y	Y	N
29 *Solomon*	N	Y	N	N	N	N	N
30 *Martin*	N	Y	Y	Y	N	N	Y
31 *Mitchell*	?	Y	Y	Y	Y	Y	Y
32 *Wortley*	N	Y	Y	N	N	N	N
33 *Lee*	N	N	Y	N	N	N	N
34 *Horton*	?	Y	Y	Y	Y	Y	Y
35 *Conable*	?	N	Y	Y	Y	Y	Y
36 LaFalce	N	N	Y	N	?	Y	Y
37 Nowak	N	N	Y	Y	N	N	Y
38 *Kemp*	N	?	Y	N	N	N	N
39 Lundine	N	N	Y	Y	Y	Y	N
NORTH CAROLINA							
1 Jones	N	?	?	Y	N	N	N
2 Fountain	N	Y	?	?	N	N	N
3 Whitley	N	Y	Y	N	N	N	N
4 Andrews	N	Y	Y	N	N	N	N
5 Neal	N	Y	Y	N	N	N	N
6 *Johnston*	N	Y	N	N	N	N	N
7 Rose	N	Y	Y	Y	N	N	N
8 Hefner	N	Y	Y	N	N	N	N
9 *Martin*	N	Y	Y	N	Y	N	N
10 *Broyhill*	N	N	Y	Y	Y	Y	Y
11 *Hendon*	N	Y	Y	N	N	N	N
NORTH DAKOTA							
AL Dorgan	Y	N	Y	Y	N	N	Y
OHIO							
1 *Gradison*	N	Y	Y	Y	Y	Y	Y
2 Luken	Y	?	N	Y	N	N	N
3 Hall	Y	?	Y	Y	Y	Y	Y
4 *Oxley*	N	Y	Y	Y	Y	Y	Y
5 *Latta*	N	Y	Y	Y	Y	Y	Y
6 *McEwen*	N	Y	Y	Y	N	Y	N
7 *Brown*	?	?	?	?	Y	Y	Y
8 *Kindness*	N	Y	Y	N	N	N	N
9 *Weber*	N	Y	Y	Y	Y	Y	Y
10 *Miller*	N	Y	N	N	N	N	N
11 *Stanton*	?	?	Y	Y	Y	Y	Y
12 Shamansky	N	Y	Y	Y	N	Y	Y
13 Pease	N	N	Y	Y	Y	Y	Y
14 Seiberling	Y	N	Y	Y	N	Y	Y
15 *Wylie*	N	N	Y	Y	Y	Y	Y
16 *Regula*	N	N	Y	Y	Y	Y	Y
17 *Ashbrook*	N	Y	Y	N	N	N	N
18 Applegate	N	Y	?	Y	N	N	N
19 *Williams*	N	Y	Y	Y	N	N	Y
20 Oakar	Y	Y	Y	N	N	N	N
21 Stokes	N	N	Y	Y	Y	Y	N
22 Eckart	N	N	Y	Y	Y	Y	N
23 Mottl	Y	Y	Y	N	Y	Y	N
OKLAHOMA							
1 Jones	N	N	Y	Y	Y	N	N
2 Synar	N	Y	Y	Y	N	N	N
3 Watkins	N	Y	Y	Y	Y	Y	N
4 McCurdy	N	Y	Y	Y	N	N	N
5 *Edwards*	N	Y	Y	Y	Y	N	N
6 English	N	Y	Y	Y	N	N	N
OREGON							
1 AuCoin	N	N	Y	Y	Y	?	N
2 *Smith*	N	Y	Y	N	N	N	N
3 Wyden	N	N	Y	Y	Y	Y	N
4 Weaver	Y		Y	Y	Y	Y	Y
PENNSYLVANIA							
1 Foglietta	N	Y	Y	Y	N	N	Y
2 Gray	N	N	Y	Y	Y	Y	N
3 Smith	N	Y	Y	Y	N	N	Y
4 *Dougherty*	N	Y	Y	Y	Y	Y	Y
5 *Schulze*	N	Y	Y	N	N	N	N
6 Yatron	N	Y	Y	N	N	N	N
7 Edgar	N	N	Y	Y	Y	Y	Y
8 *Coyne, J.*	N	N	Y	N	N	N	N
9 *Shuster*	?	Y	Y	N	N	N	N
10 *McDade*	N	Y	Y	Y	Y	Y	Y
11 *Nelligan*	N	Y	Y	Y	N	N	Y
12 Murtha	N	Y	Y	Y	Y	Y	Y
13 *Coughlin*	N	N	N	Y	Y	Y	Y
14 Coyne, W.	N	Y	Y	Y	Y	Y	Y
15 *Ritter*	N	N	Y	N	N	N	N
16 *Walker*	N	Y	N	N	Y	N	N
17 Ertel	?	?	?	?	N	N	Y
18 Walgren	N	N	?	Y	N	N	Y
19 *Goodling*	N	N	N	N	Y	Y	Y
20 Gaydos	Y	Y	Y	Y	N	Y	N
21 Bailey	N	Y	Y	Y	Y	Y	N
22 Murphy	Y	N	Y	Y	N	N	N
23 *Clinger*	N	N	Y	Y	Y	Y	Y
24 *Marks*	?	?	?	Y	N	Y	Y
25 *Atkinson*	Y	N	?	?	Y	Y	Y
RHODE ISLAND							
1 St Germain	Y	Y	Y	Y	N	Y	Y
2 *Schneider*	N	N	Y	Y	N	Y	Y
SOUTH CAROLINA							
1 *Hartnett*	N	Y	Y	N	Y	N	Y
2 *Spence*	Y	Y	Y	N	N	N	N
3 Derrick	N	Y	Y	Y	Y	Y	N
4 *Campbell*	N	Y	Y	N	Y	Y	N
5 Holland	N	Y	Y	Y	Y	Y	Y
6 *Napier*	N	Y	Y	N	N	N	N
SOUTH DAKOTA							
1 Daschle	Y	Y	Y	Y	N	Y	N
2 *Roberts*	N	N	?	N	N	N	N
TENNESSEE							
1 *Quillen*	Y	Y	Y	Y	Y	Y	Y
2 *Duncan*	Y	Y	Y	?	Y	N	N
3 Bouquard	N	Y	Y	N	N	N	N
4 Gore	N	Y	Y	Y	Y	Y	Y
5 Boner	N	Y	Y	Y	Y	Y	N
6 *Beard*	?	#	?	?	N	N	N
7 Jones	N	Y	Y	Y	N	N	N
8 Ford	N	Y	Y	Y	N	Y	Y
TEXAS							
1 Hall, S.	N	Y	Y	N	Y	Y	N
2 Wilson	?	?	?	Y	Y	Y	Y
3 *Collins*	Y	Y	Y	N	Y	N	N
4 Hall, R.	N	N	Y	N	N	N	N
5 Mattox	Y	N	Y	Y	Y	Y	N
6 Gramm	?	N	Y	Y	Y	Y	Y
7 *Archer*	Y	Y	Y	N	Y	Y	N
8 *Fields*	N	Y	N	N	Y	Y	N
9 Brooks	N	Y	Y	Y	Y	Y	N
10 Pickle	N	Y	Y	Y	Y	Y	Y
11 Leath	Y	Y	Y	Y	Y	Y	Y
12 Wright	N	Y	Y	Y	Y	Y	Y
13 Hightower	N	Y	Y	Y	Y	Y	Y
14 Patman	N	Y	Y	N	N	N	N
15 de la Garza	N	Y	Y	Y	Y	Y	N
16 White	Y	Y	Y	Y	Y	Y	Y
17 Stenholm	N	Y	Y	N	Y	Y	N
18 Leland	N	N	Y	Y	Y	Y	Y
19 Hance	N	Y	Y	Y	Y	Y	Y
20 Gonzalez	N	Y	Y	N	N	Y	N
21 *Loeffler*	Y	Y	Y	Y	N	Y	N
22 *Paul*	N	?	Y	N	N	N	N
23 Kazen	N	Y	Y	N	N	Y	N
24 Frost	N	Y	Y	Y	Y	Y	Y
UTAH							
1 *Hansen*	N	Y	Y	N	N	Y	N
2 *Marriott*	Y	Y	Y	Y	N	Y	Y
VERMONT							
AL *Jeffords*	N	N	Y	Y	Y	Y	Y
VIRGINIA							
1 *Trible*	N	Y	Y	N	N	N	N
2 *Whitehurst*	N	Y	Y	Y	Y	Y	Y
3 *Bliley*	N	Y	Y	N	N	N	N
4 *Daniel, R.*	N	Y	Y	N	N	N	N
5 Daniel, D.	N	Y	Y	Y	Y	Y	N
6 *Butler*	Y	Y	N	Y	Y	Y	Y
7 *Robinson*	N	Y	Y	N	N	N	N
8 *Parris*	N	Y	Y	N	N	N	N
9 *Wampler*	N	Y	Y	N	N	N	N
10 *Wolf*	N	Y	Y	N	N	N	N
WASHINGTON							
1 *Pritchard*	N	N	Y	Y	Y	Y	Y
2 Swift	N	N	Y	Y	N	Y	Y
3 Bonker	N	N	Y	Y	N	Y	N
4 *Morrison*	N	Y	Y	N	Y	Y	Y
5 Foley	N	Y	Y	Y	Y	Y	Y
6 Dicks	Y	Y	Y	Y	Y	Y	Y
7 Lowry	N	N	Y	Y	Y	Y	Y
WEST VIRGINIA							
1 Mollohan	N	Y	Y	Y	Y	Y	N
2 *Benedict*	N	Y	Y	Y	Y	Y	Y
3 *Staton*	N	Y	Y	N	Y	Y	N
4 Rahall	Y	N	?	?	?	Y	Y
WISCONSIN							
1 Aspin	N	N	Y	Y	N	Y	Y
2 Kastenmeier	N	N	Y	Y	N	N	Y
3 *Gunderson*	N	N	Y	N	N	N	Y
4 Zablocki	N	Y	Y	Y	Y	Y	Y
5 Reuss	N	N	Y	Y	Y	Y	Y
6 *Petri*	N	N	Y	Y	N	Y	Y
7 Obey	N	N	Y	Y	Y	Y	Y
8 *Roth*	N	Y	Y	N	N	Y	N
9 *Sensenbrenner*	N	N	Y	N	N	N	N
WYOMING							
AL *Cheney*	Y	Y	Y	Y	Y	Y	Y

Southern states - Ala., Ark., Fla., Ga., Ky., La., Miss., N.C., Okla., S.C., Tenn., Texas, Va.