OFFICE OF HOUSE DEMOCRATIC WHIP STENY H. HOYER

The Daily Whip

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THURSDAY, JUNE 22, 2006

House Meets At…	Last Vote Predicted At…
10:00 a.m.: Legislative Business **Five "One Minutes" Per Side**	**4:30 – 5:30 p.m.**

(173rd Calendar Day of the Year – 51st Voting Day of the Year – 41 Voting Days until Target Adjournment)

FLOOR SCHEDULE AND BILL SUMMARY

H.Res. 885 - Rule providing for consideration of H.R. 5638 - Permanent Estate Tax Relief Act of 2006 *(Rep. Hastings (WA) - Rules)*. The Rules Committee has recommended a closed rule that provides one hour of debate, provides one motion to recommit with or without instructions, and self-executes a manager's amendment to index for inflation the $5 million exemption included the bill. The rule does not make in order the substitute by Rep. Pomeroy.

H.Res. 886 - Rule providing for consideration of H.R. 4890 - Legislative Line Item Veto Act of 2006 *(Putnam - Rules).* The Rules Committee has recommended a closed rule that provides one hour of debate and one motion to recommit with or without instructions. The rule does not make in order the substitute by Rep. Spratt.

H.R. 5638 - Permanent Estate Tax Relief Act of 2006 (*Rep. Thomas - Ways and Means)*. Unable to secure passage of permanent repeal of the estate tax in the Senate, Rep. Thomas is bypassing committee consideration and bringing a new bill to the floor today that falls short of full repeal, but costs nearly as much. Current law (EGTRRA passed in 2001) provides for an increase of the exclusion from estate taxes per decedent from now through January 1, 2010. The exemption per decedent for 2006-2008 is $2 million ($4 million per couple), and $3.5 million ($7 million per couple) in 2009. From 2007-2010, estates over the exemption amount are taxed at a 45 percent rate. This bill:

- Provides a substantial benefit to the wealthiest taxpayers with estate tax liability and could cost approximately $280 billion over six years (2011 to 2016), and $61 billion every year after that.
- Replaces the current law repeal of the estate tax in 2010 with a permanent change that provides a $5 million ($10 million per couple) exemption starting in 2010 and that lowers the rate of taxation on estates over the exemption to the capital gains rate of 15 percent (which rises to 20 percent in 2011).
- Taxes estates over $25 million at 30 percent (double the capital gains rate, rising to 40 percent in 2011);
- Eliminates the federal credit and deduction against state estate taxes paid allowed under current law, which could result in increased overall estate tax treatment for taxpayers in certain states;
- Adds special capital gains treatment for certain timber interests.
- Benefits very few - only the 3 in 1,000 estates that would owe any estate tax under 2009 law are helped by this bill.

H.R. 4890 - Legislative Line Item Veto Act of 2006 *(Rep. Ryan (WI) - Budget Committee).* This bill, which was reported by the Budget Committee on June 14, reflects several changes from the bill as introduced, and is intended to expand and expedite Executive rescission powers. Unlike similar versions considered and passed by the House of Representatives during the 1990s, this bill is not supported by a foundation of Pay-As-You-Go rules that helped provide budget discipline and is unlikely to have a large effect on the deficit. In addition, the bill gives the President expanded powers to cherry-pick items to package together for elimination. As reported, H.R. 4890 :

- Allows the President to submit to the Congress proposed cancellation (i.e., rescission) of discretionary spending, mandatory entitlement spending, or the cancellation of very narrowly defined targeted tax benefits. The bill prohibits the President from proposing the same cancellation more than once.
- Gives the President the power to cancel not only "earmarks", but discretionary programs that were targeted for elimination in his budget, while exempting any special tax break that benefits more than one entity. This allows the veto of expanded benefits to at-risk populations while providing immunity to new tax expenditure loopholes.
- Requires the President to submit his cancellation proposal within 45 days of signing a bill, but allows up to five different cancellation packages per bill, and up to ten cancellation packages for an omnibus bill. The bill allows the President to withhold funding that is proposed for rescission for up to 90 days.
- Establishes fast-track procedures for congressional consideration, including a prohibition on any amendments, limits on debate, and a tight calendar of dates for the proposed rescissions to move through the legislative process.
- Applies only to legislation enacted after the passage of this bill and includes a six-year sunset.

Postponed Suspension Vote:

1) **H.Res. 323** - Supporting efforts to increase childhood cancer awareness, treatment, and research *(Rep. Pryce - Energy and Commerce)*

TOMORROW'S OUTLOOK

The GOP Leadership has announced the following schedule: on Friday, no votes are expected in the House.

Daily Quote…

"The nation faces the expensive retirement of the baby boomers. It is grappling with rising inequality. Its prized social mobility may ultimately be threatened if the richest members of society are allowed to pass unlimited riches to their children. Given these circumstances, the zeal of the Republican leadership for eviscerating the estate tax is mystifying."

- *The Washington Post* in an editorial today

"Last year, the average CEO of a company with at least $1 billion in annual revenue made $10,982,000, or 262 times what the average worker made, according to an analysis by the Economic Policy Institute (EPI) released Wednesday. Put another way, the average worker -- who earned $41,861 in 2005 -- made about $400 less last year than what the average large-company CEO made in one day. That assumes 260 days of pay (52 weeks x 5 days a week)."

- A story on *CNNMoney.com* yesterday