Mr. BINGAMAN. Mr. President, I rise to note that on today's vote on the tax reconciliation bill conference report, I will be pairing with my colleague, Senator DOMENICI. My position on this tax bill is well known, as is Senator DOMENICI's. Were I actually casting a vote, it would be a ''no'' vote, just as it has been in the Finance Committee and on the Senate floor previously. I have grave concerns about this bill and its implications for our future budgets, and its implications for New Mexico, and I remain opposed to the substance of this conference report.

Since he had important commitments in New Mexico during the past 48 hours, Senator DOMENICI is unable to be here for today's vote, and he has made a personal request that I pair with him. As a courtesy to my colleague. I have agreed to do so, and would ask Senate records to reflect my position on this bill as a ''no'' vote.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

2011. Families with more than one child would also receive a refundable credit based on their income.

Will this tax relief solve all the financial problems faced by eligible families? No. But it will help to purchase essentials, like groceries, heating fuel, or electricity. And it sends an important message of encouragement that we want those who work hard and strive to improve their lives to succeed. Refundability shows that tax relief is for all full-time working families.

With these kinds of adjustments, we take a critical first step in ensuring that the balance of this package in its totality will help lower and middle income taxpayers.

The fact of the matter is that the case for tax cuts has never been more compelling. As a percent of GDP, federal taxes are at their highest level, 20.6 percent, since 1944—and all previous record levels occurred during time of war or during the devastating recession of the early-1980s, when interest rates exceeded 20 percent and the highest marginal tax rate was 70 percent.

The fact of the matter is, it would be irresponsible not to return a reasonable portion of the surplus—which is really just an overpayment in the form of taxes—to the American taxpayer. And there should be no mistake—if we fail to enact meaningful relief package, we will fail both working families and the economy upon which their work depends.

And let us not forget that this package is nearly 25 percent smaller than was proposed by President Bush in his budget. Let us not forget that it will utilize less than one-half of the projected surplus over the coming 10 years, 45.7 percent, excluding both Social Security and Medicare surpluses.

In fact, even with a $1.25 trillion tax cut over the coming ten years, we will still have about $1.5 trillion available for other priorities, including the funding of a new prescription drug benefit and additional debt reduction. This package is neither unreasonable nor irresponsible.

Just as importantly, many of us fought hard to ensure that the benefits of this tax cut package will be weighted toward those who need relief the most—middle and lower-income taxpayers—and that weighting has been retained.

We have before us a thoughtful proposal that addresses concerns I, myself, had with the distributional effects of the original package. And it does so in a variety of meaningful ways—retroactively creating a new ‘‘ten percent’’ bracket, providing much-needed AMT relief for middle-income families, and ensuring marriage penalty relief for all couples while bolstering the Earned Income Tax Credit.

And that's not all. The bipartisan education package that the Finance Committee reported in March is included in this bill, along with a new deduction of up to $4,000 for higher education tuition paid—a provision that I sought along with Senators TORRICELLI and SCHUMER. With the cost of college quadrupling over the past 20 years—a rate nearly twice as fast as inflation—this provision will provide critical assistance to individuals and families grappling with higher education costs.

It also includes the bipartisan IRA and pension package—introduced separately by Senators GRASSLEY and BAUCUS that will not only strengthen and improve access to pensions and IRA's, but also enhance fairness for women who frequently leave the workforce during prime earnings years, and suffer from reduced retirement savings accordingly.

Again, this is a balanced and fair package. In looking at the various analyses of the changes we made to the package, the Joint Tax Committee estimates that those earning less than $50,000 will see their share of federal taxes drop from 14.3 percent under current law to 14 percent in 2006. Conversely, in the same year, the share of federal taxes paid by those with incomes of $100,000 or more will increase from 58.4 percent to 58.7 percent.

Moreover, as a result of the refundability of the child tax credit, according to Joint Tax, those in the $10,000 to $20,000 income range will see their share of federal taxes reduced from 1.5 percent to 1.4 percent—a reduction of $3 billion. And by 2006, this level is down to 1.1 percent.

And in terms of the overall package, it is worth noting that creation of the new 10 pecent bracket accounts for $421 billion, while reductions in all other brackets amount to $420 billion—that's 50 percent of the cuts going to the lowest bracket alone.

As for the compromise we developed that results in a reduction of the uppermost bracket from 39.6 to 35 percent, it's worth noting that many individuals in that bracket are small business owners whose business-related income is taxed as personal income.

According to the Treasury Department, in 2006, 63 percent of the tax returns that would benefit from reducing marginal rates in the top two brackets would be reporting some income or loss from a business. And in my home State of Maine, for example, about 97 percent of all businesses are small business.

The reality is, small businesses have played a central role in our Nation's economic expansion. From 1992 to 1996, for example, small firms created 75 percent of new jobs—up 10.5 percent—while large-company employment grew by 3.7 percent. So why—when we're talking about such a tremendous impact on individuals and the economy—when the top corporate tax rate is 35 percent—why should we continue making small business men and women pay more?

And let's face it, the economic impact of this tax cut cannot be dismissed. In fact, given the warning signs in our economy, I believe the timing of this tax package is fortuitous. One Business Week article spoke of a terrible first quarter, stating that ‘‘The earnings of the 900 companies on Business Week's Corporate Scoreboard plummeted 25 percent from a year earlier—The first quarter profit plunge was the Scoreboard's sharpest quarterly drop since the 1990–91 recession.’’

Productivity fell at a 0.1 percent annual rate in the first quarter—the first quarterly drop in six years. And layoffs are at their highest levels since they were first tracked in 1993, with major corporations announcing more than 572,000 job cuts this year. Little wonder, then, that the unemployment rate has risen to 4.5 percent, with April's job loss the largest since February 1991.

Even more ominous is Business Week's recent observation that if wide layoffs of high wage earners continue, the likelihood of recession becomes even greater.

And the Washington Post noted recently that Federal Reserve cuts in interest rates have been the most aggressive since the second quarter of 1982—the worst recession since the great depression—and that observation came before the most recent half-percent rate cut.

And while it is true that a tax cut may not actually prevent a recession, if one is in the offing, I well remember the words of Federal Reserve Chairman Alan Greenspan, who came before the Finance Committee in January.

Chairman Greenspan stated that tax cuts, while perhaps not having an immediate effect, could act as ‘‘insurance’’ should our recent downturn prove to be more than an inventory correction—that it could soften the landing and shorten the duration of any recession should it occur. And let's keep this in mind as well—‘‘blue chip’’ economists have indicated just this week that they are factoring the tax cut in their projections.

Given our growing economic uncertainty and the grim repercussions it could have, I am pleased that—as I urged on the floor last week and in a letter to the Senate conferees—the final conference report ensures that even more money will be in the hands of taxpayers this year than was originally anticipated in the Senate bill. Specifically, by providing for the delivery of refund checks to taxpayers this fall—$300 for single taxpayers and $600 for couples—tax relief will be accelerated during the current year, and hopefully help get the economy back on track.

I think the American public often thinks about tax cuts the way they would think of winning the lottery—it would be great if it really happened, but it in reality it really only happens for ‘‘the other guy’’—that tax cuts will only apply to someone else—and if they do happen, they'll be so small as to have no appreciable effect on everyday life.

Well, the American people should know that this tax cut applies to everyone, and especially those who could use the break the most. And that's true not just on paper, but in reality—in the real world.

This is no phantom tax cut—this is real, this is balanced, and this is fair. And what this all comes down to is, if you're really serious about cutting taxes, you should support this package that begins the process of providing some relief given, once again, the status of our economy and the tax burden on the American people.

We know we're never going to get unanimity on an issue of this magnitude. But we can have progress and we can come to some kind of consensus. This package represents a bipartisan effort that, in the aggregate, is good for our future and good for the American taxpayer today. And it deserves our support. Thank you very much.

Mr. ROCKEFELLER. Mr. President, I rise today in strong opposition to this fiscally irresponsible conference report. Today, this tax cut perpetrates a fraud on the American people.

Their hard work created this surplus and this opportunity to sustain our economy and strengthen Social Security and Medicare. But no one should be fooled that this conference report is anything but an irresponsible, unfair, and politically motivated giveaway to the wealthiest in our society.

I deeply regret that we have failed to take this historic opportunity to provide a meaningful tax cut to all Americans, and at the same time, continue to make real progress paying down our national debt and reserve sufficient resources to invest in our future.

I voted for a $900 billion tax cut that would have allowed us to provide all Americans with an immediate and meaningful tax cut across the board and that included important education and energy provisions, and would have allowed us to pay down the debt and provide a Medicare prescription drug benefit, as well leave room for other West Virginia priorities.

The conference report's tax cut is far too large to protect West Virginia's priorities and its future whether it's education, a Medicare prescription drug benefit, federal investments in roads and aviation safety, or safer communities. In fact, the true cost of this bill is probably over $1.7 trillion over the 10 years of the budget. And because of backloading of the tax cuts, which means that the effective dates for many of the tax cuts don't occur for at least 5 years, the tax cut cost will explode in later years.

Even more farcical, the conferees have hidden even more of the true costs of the tax cut by making it appear that it will expire, and taxes substantially rise, after 2010. The Chairman and Ranking Member of the Committee know this is simply not what will happen, but they have nevertheless used this gimmick to make it appear that they have held to the Senate-passed Budget Resolution. It is ludicrous to think that the Congress would impose a quarter of a trillion dollar tax increase on the American people in 2010 when this tax cut proposal expires. These tax cuts will be extended, and their cost will thus explode to $4 trillion and more. That's not responsible, and it's bad economic policy.

What's even worse, this bill is just not fair to hardworking Americans who created the surplus.

This tax conference report simply gives too much to the wealthiest Americans and does too little to reduce our national debt. This tax plan endangers our ability to provide a desperately needed Medicare prescription drug benefit to 39 million American seniors and taps into the Medicare Trust Fund. It threatens Social Security just when our "baby boomers" start to retire. It leaves us too little to invest in our children's education, and jeopardizes our efforts to improve our Nation's transportation infrastructure. It chokes our ability to improve our national defense and veterans health care—ironically, just as many Members of Congress are planning to return to their states to honor their veterans on this coming Memorial Day. This tax bill short-circuits critical components of a balanced energy policy to invest in clean coal research and encourage alternative fuels and energy efficiency.

And this tax giveaway will, undoubtedly, return us to the huge budget deficits we worked nearly a generation to eliminate. All of us remember the consequences of the Reagan tax cut—two decades of spiraling deficits. And for my state of West Virginia, the consequences were devastating. As a Governor, I know how my state suffered. I don't want to return to those days, and West Virginians don't either. This proposal, regretfully, sets us on that path.

As the second ranking Democrat on the Senate Finance Committee, I was officially named a conferee on this tax legislation. I had hoped to work hard to improve the Senate-passed bill where we could, and, at a minimum, retain the Senate's provisions. While the Senate's tax proposal was backloaded and cost the same unaffordable $1.35 trillion, it included some essential improvements for lower and middle income families. As grave a mistake as I believe this tax package is, and as dangerous as I believe it will be for our Nation's economic future, I was prepared to support these Senate provisions in conference and do what I could to prevent further erosion of the already tilted tax cut for the rich. I deeply regret to report, however, that neither the Minority Leader nor I were included in the negotiations of this bill. We were presented with this conference report after it had been completed and at the same time my nonconferee colleagues learned of the package's content. I note this procedural point only to raise my concern that we have deviated from the traditional committee processes and from any semblance of true bipartisan negotiating, to our Nation's and the Senate's ultimate detriment. The Chairman's repeated assertions that this matter has been conducted in an open and inclusive process does not reflect reality.

Let me outline the most obvious problems with this irresponsible tax cut. The tax conference report has several fatal flaws. It plays games with the effective dates of the tax cuts in order to mask the real cost of this tax proposal. Those games mean that married people won't get relief from the marriage penalty for 5 years, until 2006. The reason why married people have to wait for their tax cut is because the conference report chose to give even more money to the wealthiest Americans at their expense.

The top income tax rate that was reduced from 39 percent to 36 percent in the Senate bill is now lowered to 35 percent by the terms of the conference report—that's a 1.6 percent deeper cut than any other income tax bracket. While there is no reduction in marginal rates for the 15 percent income tax bracket—where most Americans and most West Virginians pay their last dollar of tax—there is a 4.6 percent reduction for the wealthiest Americans who need it the least. West Virginians will not be fooled by that; they will see that this is unfair. When we get the best analysis from the experts, it will no doubt document just how much is robbed from middle income taxpayers to finance the tax break for the wealthiest. Only 0.3 percent of West Virginians are in the top income tax bracket. And let's not be misled by the rhetoric that the wealthy get more of the benefit only because they pay more taxes. Of course, the wealthiest Americans pay a significant share of Federal taxes—about 22 percent. The President's proposal would have given those wealthiest Americans 43 percent of the tax cuts. This conference report will give them roughly 38 percent of the entire tax cut. They pay in 22 percent, but they get 35 percent of the surplus. I can't explain why they have been rewarded with more of the surplus than they deserve at the expense of hard-working West Virginia families, and I can't support it. I can't support a tax cut that gives about 15 percent of our Nation's surplus to the bottom 60 percent of taxpayers, and 38 percent to the top 1 percent.

The estate tax provisions of this bill, also a benefit solely for the wealthy, begin almost immediately—in 2002, but middle income married couples are told they must wait for their relief until 2006. The estate tax is also totally repealed in 2010. But another startling fact about this tax bill is that the entire bill—even the tax relief for lower and middle income people, the child credit, and EITC improvements, all sunset in 2010 in order to pretend that this bill really costs $1.35 trillion over 10 years. We know that this is a sleight of hand. We know Congress won't sunset or trigger off the tax cuts in 2010. So the true cost of this bill, while it purports to be $1.35 trillion—will be