



# The Daily Whip

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**THURSDAY, JUNE 19, 2003**

House Meets At...	Last Vote Predicted At...
<b>10:00 a.m.: Legislative Business</b> <b>Five "One Minutes" Per Side</b>	<b>4:00 – 5:00 p.m.</b>

**\*\*\* MEMBERS ARE URGED TO SIGN THE CONCURRENT RECEIPT DISCHARGE PETITION AVAILABLE ON THE HOUSE FLOOR AT THE CLERK'S DESK.** Rep. Jim Marshall (GA-03) has begun a discharge petition effort to force the House to consider H.R. 303 on concurrent receipt. This bipartisan bill, introduced by Rep. Bilirakis (R-FL), would provide full retirement pay and disability pay to disabled military retirees. 182 Members have signed on.

## FLOOR SCHEDULE AND PROCEDURE

The House will convene at 10:00 a.m. for legislative business.

**H.Res. 283** - Rule providing for Consideration of H.R. 660 – Small Business Health Fairness Act of 2003 (*Rep. Diaz-Balart – Rules*)

**H.R. 1528 - Taxpayer Protection and IRS Accountability Act of 2003** (*Rep. Portman - Ways & Means*) (*Modified Closed Rule – Complete Consideration*)

**H.R. 660 – Small Business Health Fairness Act of 2003** (*Rep. Fletcher –Education & the Workforce*) (*Subject to a Rule*)

## BILL SUMMARY AND KEY ISSUES

**H.Res. 283 - Rule Providing for Consideration of H.R. 660 – Small Business Health Fairness Act of 2003** (*Rep. Diaz-Balart – Rules*). The Rules Committee has recommended a modified closed rule that provides for one hour of general debate; waives all points of order against consideration of the bill; and provides one motion to recommit with or without instructions.

**Democrats are urged to VOTE NO on the PREVIOUS QUESTION on the Rule to allow consideration of the Armed Forces Tax Fairness Act, which is currently pending at the Speaker's desk, and amend it by adding the Senate-passed Child Tax Credit Measure. This would, if agreed to, clear both bills for the President.**

If the Previous Question is not defeated, **Democrats are urged to VOTE NO on the Rule.**

The Rule also makes in order one amendment (substitute) to be offered by Rep. Kind or his designee that is debatable for one hour.

- The Kind/Andrews substitute requires the Department of Labor to establish a Small Employer Health Benefits Plan (SEHB) available for all firms with fewer than 100 employees. SEHB would: operate through state licensed health insurers that comply with state mandates regarding health insurance; offer incentives and subsidies to firms with fewer than 50 employees; give premiums to low income employees; and not allow cherry picking. SEHB would be fully paid for using the \$50 billion authorized in the FY04 Budget to the Department of Labor for small employer health care coverage subsidies.

**H.R. 1528 - Taxpayer Protection and IRS Accountability Act of 2003** (*Rep. Portman - Ways & Means*) (*Modified Closed Rule-Complete Consideration*). The House will complete consideration of this bill which contains nearly fifty technical changes and provisions aimed at easing tax administration regulations. These changes include: giving electronic filers two more weeks to file their taxes (April 30); expanded flexibility on penalties for minor errors and better terms regarding interest paid as result of estimated tax underpayment or penalties; greater flexibility on installment payments for tax liability; flexibility in disciplinary action and removal of some 1998 IRS Reform law provisions that required termination of IRS employees for certain acts; and additional authorization of funds for low-income taxpayer clinics. Concerns have been raised about the electronic-filers extension provision (which would not give equal relief to low-income taxpayers who do not have access to a computer) and a provision regarding tax-free interest paid on tax overpayments (which may give incentives for wealthy taxpayers to overpay to obtain tax-free interest).



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- **Regrettably, this bill also includes a controversial provision that strikes important health insurance standards protecting laid-off workers** related to guarantees of coverage protection against discrimination on the basis of pre-existing conditions, and comparability of premiums in benefits. These standards were negotiated as a part of Section 201 of the Trade bill (PL107-210) providing a 65% tax credit for expenses related to qualified health insurance for workers who lost their jobs as a result of trade-related competition. These standards are especially important to older workers in industries such as steel or automotive whose plants have been shut down and can only access their health care needs through state-sponsored programs. Since this provision was enacted last summer, not all states have made the conforming changes needed to satisfy the requirements to qualify their programs.

Under pressure, Chairman Thomas made limited changes to the controversial provision including: applying these standards only to states that have not acted by August; limiting their application through the end of calendar year 2004; and preempting 2 of the 4 consumer protections (guaranteed offer of coverage issue and no exclusions for pre-existing conditions) but leaving in place the non-discrimination protections for premiums and benefits. **These changes do not address the concerns raised by Democrats and still undermine the agreement included in last year's trade bill to protect laid-off workers.**

Since general debate on H.R. 1528 was completed yesterday, today the House will resume its consideration of this bill by debating the Rangel substitute (Democratic Substitute). This substitute is debatable for one hour.

- **The Rangel Substitute contains the non-controversial underlying taxpayer improvements of H.R. 1528 without any anti-consumer changes to the Trade Adjustment Assistance health credit law.** Furthermore, the substitute will add provisions to address abusive tax shelters, EITC simplification and assure audit fairness for low-income taxpayers, enhanced low-income taxpayer clinics, an EITC pre-certification program only if authorized; other provisions designed to assist low and middle-income taxpayers in complying with the tax laws; **and the provisions of the Senate-passed child tax credit expansion bill and the provisions of the Senate-passed military tax relief bill.** The substitute will also be revenue neutral.

**Democrats are strongly urged to VOTE YES on the Rangel Substitute.**

If the substitute is not adopted, Democrats will offer a Motion to Recommit H.R. 1528 to expand the health care tax credit, made available by last year's trade bill, to any retiree who has had their pension taken over by the Pension Benefit Guarantee Corporation or who qualifies for Trade Adjustment Assistance (this is the exact language from title one of H.R. 1999, which currently enjoys strong bipartisan support). **Democrats are urged to VOTE YES on the Motion to Recommit.**

If the Motion to Recommit is not successful, **Democrats are asked to VOTE NO on FINAL PASSAGE of H.R. 1528.**

**H.R. 660 – Small Business Health Fairness Act of 2003 (Rep. Fletcher –Education & the Workforce) (Subject to a Rule).** This bill permits the establishment of "association health plans," which would allow small businesses to purchase health insurance coverage for their employees through associations of several employers. Each association health plan would decide the services included in its plan and would be exempt from most state insurance regulations. Insurance plans under these new associations would be subject to regulation by the Department of Labor.

## Daily Quote...

"Mr. DeLay and others in the House deliberately made their [child tax credit] bill richer than the Senate version because they knew that the Senate conferees would walk away and pass nothing instead."

-The Wall Street Journal in an editorial today