Volkmer	Waxman	Wyden
Ward	Wilson	Wynn
Waters	Wise	Yates
Watt (NC)	Woolsey	

NOT VOTING—17

Borski	Gallegly	Radanovich
Brown (FL)	Gonzalez	Rush
Crapo	Goodling	Spence
de la Garza	Jacobs	Talent
Dingell	Meek	Williams
Ehlers	Pickett	

So the resolution was agreed to.

A motion to reconsider the vote whereby said resolution was agreed to was, by unanimous consent, laid on the table.

¶29.15 COMMITTEES AND SUBCOMMITTEES TO SIT

On motion of Mr. GOSS, by unanimous consent, the following committees and their subcommittees were granted permission to sit during the 5-minute rule today: the Committee on Commerce, the Committee on Government Reform and Oversight, the Committee on Science, and the Committee on Transportation and Infrastructure.

¶29.16 SELF-EMPLOYED HEALTH PREMIUM DEDUCTION

The SPEAKER pro tempore, Mr. HEFLEY, pursuant to House Resolution 88 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 831) to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes.

The SPEAKER pro tempore, Mr. HEFLEY, by unanimous consent, designated Mr. MCINNIS as Chairman of the Committee of the Whole; and after some time spent therein,

¶29.17 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment in the nature of a substitute submitted by Mr. MCDERMOTT:

TITLE I—PROVISIONS RELATING TO HEALTH CARE

SEC. 101. RETROACTIVE RESTORATION OF DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (6) of section 162(l) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended by striking ''December 31, 1993'' and inserting ''December 31, 1995''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1993.

SEC. 102. PERMANENT DEDUCTION FOR HEALTH INSURANCE COSTS OF EMPLOYEES AND SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

''SEC. 220. HEALTH INSURANCE COSTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to 25 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.

''(b) LIMITATION BASED ON EARNED INCOME.—No deduction shall be allowed under subsection (a) to the extent that the amount of such deduction exceeds the sum of—

''(1) the taxpayer's wages, salaries, tips, and other employee compensation includible in gross income, plus

''(2) the taxpayer's earned income (as defined in section 401(c)(2)).

''(c) OTHER COVERAGE.—Subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the spouse of the taxpayer.

''(d) PHASEIN OF DEDUCTION FOR EMPLOYEES.—In the case of taxable years beginning before January 1, 2000, to the extent that the amount paid for insurance referred to in subsection (a) is allocable to coverage for a month for which the individual has no earned income (as defined in section 401(c)(2)), subsection (a) shall be applied with respect to such amount by substituting the percentage determined in accordance with the following table for '25 percent'.

''In the case of taxable years beginning in calendar year:	**The percentage is:**
1996	15 percent
1997	15 percent
1998	20 percent
1999	20 percent.

''(e) SPECIAL RULES.—

''(1) COORDINATION WITH MEDICAL DEDUCTION, ETC.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

''(2) TREATMENT OF CERTAIN S CORPORATION SHAREHOLDERS.—This section shall apply in the case of any individual treated as a partner under section 1372(a), except that—

''(A) for purposes of this section, such individual's wages (as defined in section 3121) from the S corporation shall be treated as such individual's earned income (within the meaning of section 401(c)(1)), and

''(B) there shall be such adjustments in the application of this section as the Secretary may by regulations prescribe.

''(3) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.''

(b) CONFORMING AMENDMENTS.—

(1) Subsection (l) of section 162 of such Code is hereby repealed.

(2) Subsection (a) of section 62 of such Code is amended by inserting after paragraph (15) the following new item:

''(16) HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.—The deduction allowed by section 220 but only to the extent that the amount of the deduction does not exceed the taxpayer's earned income (as defined in section 401(c)(2)) for the taxable year.''

(3) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 220. Health insurance costs.

''Sec. 221. Cross reference.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

TITLE II—MODIFICATION OF RULES FOR NONRECOGNITION OF GAIN UNDER F.C.C. TAX CERTIFICATE PROGRAM AND FOR INVOLUNTARY CONVERSIONS

SEC. 201. LIMITATIONS ON NONRECOGNITION OF GAIN UNDER F.C.C. TAX CERTIFICATE PROGRAM.

(a) IN GENERAL.—Section 1071 of the Internal Revenue Code of 1986 (relating to gain from sale or exchange to effectuate policies of F.C.C.) is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

''(b) LIMITATIONS.—

''(1) IN GENERAL.—Subsection (a) shall apply only if the sale or exchange is a qualified telecommunications transaction.

''(2) LIMITATION ON AMOUNT OF NONRECOGNITION.—The amount of gain which is not recognized under subsection (a) with respect to a qualified telecommunications transaction (or a series of related transactions) shall not exceed $50,000,000.

''(3) QUALIFIED TELECOMMUNICATIONS TRANSACTION.—For purposes of this subsection, the term 'qualified telecommunications transaction' means any sale or exchange of property if—

''(A) the Commission certifies that the sale or exchange is in furtherance of the Commission's Minority Ownership Policy, and

''(B)(i) such property is owned by an eligible person at all times during the 3-year period beginning on the date of such sale or exchange, or

''(ii) if the property sold or exchanged was acquired by the taxpayer by reason of a qualified contribution to the capital of an eligible corporation or an eligible partnership, such corporation or partnership was an eligible person at all times during the 3-year period beginning on the date of such contribution.

''(4) ELIGIBLE PERSON.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible person' means—

''(i) any eligible individual,

''(ii) any eligible corporation, and

''(iii) any eligible partnership.

''(B) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means any individual if an FCC tax certificate could have been issued under the Commission's Minority Ownership Policy for any sale or exchange of property to such individual.

''(C) ELIGIBLE CORPORATION.—The term 'eligible corporation' means any corporation in which eligible individuals directly or indirectly own—

''(i) stock possessing more than 50 percent of the total voting power of the stock of such corporation, and

''(ii) stock having a value equal to more than 20 percent of the total value of the stock of such corporation.

''(D) ELIGIBLE PARTNERSHIP.—The term 'eligible partnership' means any partnership in which eligible individuals directly or indirectly—

''(i) have actual control of the partnership, and

''(ii) own partnership interests having a value equal to more than 20 percent of the total value of the partnership interests of such partnership.

''(5) TREATMENT OF BUY-SELL ARRANGEMENTS, ETC.—For purposes of paragraphs (3) and (4)—

''(A) IN GENERAL.—Property held by an eligible person shall be treated as held by an ineligible person if—

''(i) an ineligible person has an option or other right to acquire such property, or

''(ii) the eligible person has an option or other right to require an ineligible person to acquire such property.