



**Legislative Bulletin.....June 24, 2004**  
**(Part I)**

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**Note: Part II will include:**

S. 2507 - Child Nutrition and WIC Reauthorization Act of 2004

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**H.Res. 685—Revising the concurrent resolution on the budget for fiscal year 2005 as it applies in the House of Representatives (*Obey*)**

**Order of Business:** The resolution is scheduled to be considered on Thursday, June 24<sup>th</sup>, under the following unanimous consent agreement (which was agreed to on the House floor on June 22, 2004):

That it be in order at any time to consider in the House H. Res. 685; that the resolution be considered as read for amendment and that the previous question be considered as ordered on the resolution to final adoption without intervening motion or demand for a division of the question except 90 minutes of debate on the resolution equally divided and controlled by the Majority Leader and Minority Leader or their designees.

**Summary:** H.Res. 685 would amend the Budget Resolution conference report (S.Con.Res. 95), which passed the House on May 19, 2004, by a vote of 216-213: <http://clerk.house.gov/evs/2004/roll198.xml> The conference report would have the force and effect in the House as if the following provisions had been originally included in the conference report:

- **Reduces the amount for the FY2005 deficit by \$4.68 billion;**
- **Increases the recommended level of federal revenues in FY2005 by \$12.29 billion;**

- **Increases the level of new budget authority (BA) in FY2005 by \$14.2 billion; and**
- **Increases the level of total outlays in FY2005 by \$7.61 billion.**

### **TAX INCREASES**

H.Res. 685 would direct the Ways & Means Committee to report a reconciliation bill that changes the tax laws so as to raise \$18.9 billion in 2005 by reducing or offsetting the tax cuts planned during tax year 2005 for single taxpayers with adjusted gross incomes above \$500,000, for married taxpayers (filing jointly) with adjusted gross incomes above \$1,000,000, for taxpayers with other filing statuses with comparable income levels. The “reductions in tax cuts” would have to come from provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107-16) and the Jobs and Growth and Tax Relief Reconciliation Act of 2003 (Public Law 108-27).

**RSC NOTE:** Because most small businesses pay taxes on the individual income tax system as opposed to the corporate tax system, the Obey resolution would increase taxes on small businesses. While exact figures are not presently available, the majority of the revenue increase contained in the Obey resolution would be derived from small businesses. To see a fact sheet from the 2001 debate regarding small businesses and the tax code, go to this webpage: <http://johnshadegg.house.gov/rsc/SmBiztp.PDF>

### **SPENDING INCREASES**

Within the FY2005 total amounts (bolded) above, the following adjustments would be made:

- Increases the national defense function by \$1.00 billion (BA) and by \$740.0 million (outlays) to “improve the quality of life and provide livable housing for military personnel and their families.”
- Increases the natural resources and environment function by \$825.0 million (BA) and by \$550.0 million (outlays) to “provide clean water and open spaces for future generations.”
- Increases the agriculture function by \$380.0 million (BA) and by \$330.0 million (outlays) to “inspect and secure our Nation’s food supply and to improve economic opportunities, infrastructure, and the quality of life for rural Americans.”
- Increases the education, training, employment, and social services function by \$6.08 billion (BA) and by \$2.43 billion (outlays) to “create opportunities for our children and young adults, and to address the needs of low-income communities and assist the long-term unemployed.”
- Increases the health function by \$1.37 billion (BA) and by \$530.0 million (outlays) to “provide health care for children and others in need, control infectious diseases, foster medical research, and alleviate shortages of nurses and other health professionals.”

- Increases the income security function by \$250.0 million (BA) and by \$170.0 million (outlays) to “help States provide energy assistance to poor and alleviate the impact of refugees on State and local communities.”
- Increases the veterans benefits function by \$1.30 billion (BA) and by \$1.21 billion (outlays) to “maintain quality health care for veterans.”
- Increases the community and regional development function by \$1.20 billion (BA) and by \$240.0 million (outlays) to “improve our hometown response capabilities, strengthen our borders, and meet our security mandates.”
- Increases the administration of justice function by \$950.0 million (BA) and by \$830.0 million (outlays) to “improve our hometown response capabilities, strengthen our borders, and meet our security mandates.”
- Increases the transportation function by \$550.0 million (BA) and by \$460.0 million (outlays) to “improve our hometown response capabilities, strengthen our borders, and meet our security mandates.”
- Increases the health function by \$300.0 million (BA) and by \$120.0 million (outlays) to “improve our hometown response capabilities, strengthen our borders, and meet our security mandates.”

**Additional Background:** The Ways & Means Committee reports that the Obey amendment to the Budget Resolution would yield the equivalent of a new tax of 4.62% on the 200,000 affected families and small businesses. The Committee also reports that the Obey resolution would apply to 200,000 tax returns, 75% of which report business income.

To view the RSC Legislative Bulletin on the Budget Resolution conference report (S.Con.Res. 95), go to this webpage:

<http://johnshadegg.house.gov/rsc/LB-51904-FY%2005%20Budget%20CR%20PB.pdf>

**Committee Action:** The resolution was referred to the Budget and Rules Committees on June 22, 2004.

**Possible Conservative Concerns:** RSC members are likely be concerned that the Obey resolution would increase spending by \$14.2 billion in FY2005 above the existing increases in the Budget Resolution and would increase taxes on small businesses, individuals, and couples by \$18.9 billion in tax-year 2005.

**Cost to Taxpayers:** Since the Obey resolution would amend the Budget Resolution conference report, it would not have any cost *per se*. It would allow for future spending and tax increases.

**Does the Bill Create New Federal Programs or Rules?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Constitutional Authority:** A committee report citing constitutional authority is unavailable.

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**H.Res. 676 — Recognizing and honoring the 40th anniversary of congressional passage of the Civil Rights Act of 1964 (*Delegate Norton*)**

**Order of Business:** The resolution is scheduled for consideration on Wednesday, June 23, 2004, under a motion to suspend the rules and pass the bill.

**Summary:** The resolution has 15 findings regarding the 40<sup>th</sup> anniversary of the Civil Rights Act of 1964 and states:

“That the House of Representatives--

“(1) recognizes and honors the 40th anniversary of congressional passage of the Civil Rights Act of 1964; and

“(2) encourages all Americans to recognize and celebrate the important historical milestone of the congressional passage of the Civil Rights Act of 1964.”

**Additional Information:** In a 1963 nationally televised address, President John F. Kennedy proposed that Congress pass a civil rights act to address the problem of invidious discrimination. The year 2004 marks the 40th anniversary of congressional passage of the Civil Rights Act of 1964 (Public Law 88-352). President Johnson signed the bill into law on July 2, 1964.

According to the resolution’s findings: “the Civil Rights Act of 1964, among other things, prohibited the use of Federal funds in a discriminatory fashion, barred unequal application of voter registration requirements, encouraged the desegregation of public schools and authorized the United States Attorney General to file suits to force desegregation, banned discrimination in hotels, motels, restaurants, theaters, and all other places of public accommodations engaged in interstate commerce, and established the Equal Employment Opportunity Commission. . . . Title VII of the Act not only prohibited discrimination by employers on the basis of race, color, national origin, and religion but sex as well, thereby recognizing the national problem of sex discrimination in the workplace.”

To read the text of the original law go to:

<http://usinfo.state.gov/usa/infousa/laws/majorlaw/civilr19.htm>

**Committee Action:** The resolution was introduced on June 15, 2004, referred to Committee on the Judiciary and to the Committee on Education and the Workforce. Neither committee considered the resolution.

**Cost to Taxpayers:** The resolution has no cost.

**Does the Bill Create New Federal Programs or Rules?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

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## **H.Res. 691 — Congratulating the Interim Government of Iraq on its forthcoming assumption of sovereign authority in Iraq (Hyde)**

**Order of Business:** The resolution is scheduled to be considered on Thursday, June 24, under a motion to suspend the rules and pass the bill.

**Summary:** H.Res. 691 has 19 findings regarding Iraq and resolves :

“ That the House of Representatives—

(1) congratulates the Interim Government of Iraq on its forthcoming assumption of sovereign authority in Iraq;

(2) offers its continued support to the people and government of Iraq as they deal with the consequences of decades of misrule by the former regime of Saddam Hussein;

(3) expresses its gratitude to the United States Armed Forces for their ongoing valiant service to their country and commitment to the highest ideals and traditions of the American people;

(4) expresses its gratitude to the families of United States Armed Forces personnel, especially the families of those who have lost loved ones in Operation Iraqi Freedom and of those wounded in the service of their country, for their sacrifices;

(5) expresses its condolences to the families of the innocent Iraqis who have been killed or wounded during the conflict, including those who were victimized by the illegal and terrorist tactics of the enemy, and despite the concerted efforts by the Coalition forces to minimize civilian casualties;

(6) expresses its gratitude to the Coalition forces, the Coalition Provisional Authority, the Iraqi Governing Council, the current Iraqi cabinet and government officials, and the many international bodies and voluntary organizations which have come to the aid of the people of Iraq in an effort to help them address the consequences of decades of misrule by the former regime of Saddam Hussein, as well as to the families of those mentioned in this paragraph, who have been lost in Iraq;

(7) offers its continued support to the United States Armed Forces, civilians associated with the United States Government, Coalition forces, and Iraqi security forces who continue to bear the burden of attacks from former regime elements,

foreign and Iraqi terrorists, and other criminals who are attempting to undermine the interests of the Iraqi people and thwart their evident desire to live in peace;  
(8) calls on the entire international community to promote the welfare of the Iraqi people by rendering, in addition to the generous assistance provided by the American people and, in varying degrees, by some nations, immediate, tangible, and generous assistance to the Iraqi people in the reconstruction of their nation, including, in response to requests from the Iraqi government coordinated with the command of the multinational forces, forces capable of assisting in the provision of security to the Iraqi people;

(9) reaffirms—

(A) that the United States Armed Forces operating in Iraq after June 30, 2004, will remain under the full authority, direction, and control of their American commanders; and

(B) the need to ensure that such Armed Forces will possess all necessary authority to fulfill their mission effectively and to provide for their operational safety; and

(10) urges the people of the United States and of other countries to celebrate, on June 30, 2004, the restoration of freedom to the people of Iraq through the efforts of the peoples of the United States, the Coalition, and Iraq.”

**Committee Action:** The resolution was just introduced and referred to the International Relations Committee, which did not consider the resolution.

**Cost to Taxpayers:** The resolution would authorize no expenditure.

**Does the Bill Create New Federal Programs or Rules?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

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