

104TH CONGRESS
1ST SESSION

H. R. 890

To provide for economic growth by reducing income taxes for most Americans, by encouraging the purchase of American-made products, and by extending transportation-related spending, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1995

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Ways and Means and, in addition, to the Committees on Transportation and Infrastructure, Banking and Financial Services, Government Reform and Oversight, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for economic growth by reducing income taxes for most Americans, by encouraging the purchase of American-made products, and by extending transportation-related spending, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economic Growth In-
5 centive Act of 1995”.

1 **TITLE I—REDUCTION IN**
2 **INDIVIDUAL INCOME TAXES**

3 **SEC. 101. 5-PERCENT DECREASE IN INDIVIDUAL INCOME**
4 **TAXES FOR MOST TAXPAYERS.**

5 (a) **RATE REDUCTIONS.**—Subsection (f) of section 1
6 of the Internal Revenue Code of 1986 is amended by add-
7 ing at the end the following new paragraph:

8 “(8) **RATE REDUCTIONS.**—In prescribing the
9 tables under paragraph (1) which apply with respect
10 to taxable years beginning in a calendar year after
11 1995—

12 “(A) ‘14.25%’ shall be substituted for
13 ‘15%’,

14 “(B) ‘26.6%’ shall be substituted for
15 ‘28%’,

16 “(C) ‘29.45%’ shall be substituted for
17 ‘31%’, and

18 “(D) ‘34.2%’ shall be substituted for
19 ‘36%’.”

20 (b) **TECHNICAL AMENDMENTS.**—

21 (1) Subparagraph (B) of section 1(f)(2) of such
22 Code is amended by inserting “except as provided in
23 paragraph (8),” before “by not changing”.

24 (2) Subparagraph (C) of section 1(f)(2) of such
25 Code is amended by inserting “and the reductions

1 under paragraph (8) in the rates of tax” before the
2 period.

3 (3) The heading for subsection (f) of section 1
4 of such Code is amended by inserting “RATE RE-
5 DUCTIONS;” before “ADJUSTMENTS”.

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

9 **TITLE II—INCENTIVE FOR PUR-**
10 **CHASE OF AMERICAN-MADE**
11 **PROPERTY**

12 **SEC. 201. DEDUCTION FOR GENERAL SALES TAXES ON**
13 **AMERICAN-MADE TANGIBLE PERSONAL**
14 **PROPERTY.**

15 (a) IN GENERAL.—Subsection (a) of section 164 of
16 the Internal Revenue Code of 1986 (relating to deduction
17 for taxes) is amended by inserting after paragraph (5) the
18 following new paragraph:

19 “(6) State and local general sales taxes imposed
20 in respect of qualified sales at retail of American-
21 made property.”

22 (b) DEFINITIONS.—Subsection (b) of section 164 of
23 such Code is amended by adding at the end thereof the
24 following new paragraph:

1 “(5) DEFINITIONS RELATING TO GENERAL
2 SALES TAXES.—For purposes of subsection (a)(6)—

3 “(A) QUALIFIED SALES.—The term ‘quali-
4 fied sale’ means any sale of property if the
5 price (including taxes and shipping (if any))
6 paid by the taxpayer for such property and all
7 other American-made property purchased with
8 such property in the same transaction exceeds
9 \$500.

10 “(B) AMERICAN-MADE PROPERTY.—The
11 term ‘American-made property’ means tangible
12 personal property more than 50 percent of the
13 cost of which is attributable to value added in
14 the United States.”

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 the date of the enactment of this Act.

18 **TITLE III—SURFACE**

19 **TRANSPORTATION PROGRAMS**

20 **SEC. 301. OBLIGATION CEILING.**

21 Section 1002 of the Intermodal Surface Transpor-
22 tation Efficiency Act of 1991 (23 U.S.C. 104 note; 105
23 Stat. 1916–1918) is repealed.

1 **SEC. 302. AUTHORIZATION OF APPROPRIATIONS FOR HIGH-**
2 **WAY PROGRAMS.**

3 Section 1003(a) of the Intermodal Surface Transpor-
4 tation Efficiency Act of 1991 (105 Stat. 1918–1922) is
5 amended—

6 (1) in paragraph (1)—

7 (A) by striking “and”; and

8 (B) by striking “fiscal year 1997” and in-
9 serting “each of fiscal years 1997, 1998, and
10 1999”;

11 (2) in paragraph (2)—

12 (A) by striking “and”; and

13 (B) by striking “fiscal year 1997” and in-
14 serting “each of fiscal years 1997, 1998, and
15 1999”;

16 (3) in paragraph (3)—

17 (A) by striking “and”; and

18 (B) by striking “fiscal year 1997” and in-
19 serting “each of fiscal years 1997, 1998, and
20 1999”;

21 (4) in paragraph (4)—

22 (A) by striking “and” the second place it
23 appears; and

24 (B) by striking “fiscal year 1997” and in-
25 serting “each of fiscal years 1997, 1998, and
26 1999”;

1 (5) in paragraph (5)—

2 (A) by striking “and”; and

3 (B) by striking “fiscal year 1997” and in-
4 serting “each of fiscal years 1997, 1998, and
5 1999”;

6 (6) in paragraph (6)(A) by striking “and 1997”
7 and inserting “1997, 1998, and 1999”;

8 (7) in paragraph (6)(B) by striking “and 1997”
9 and inserting “, 1997, 1998, and 1999”;

10 (8) in paragraph (6)(C) by striking “and 1997”
11 and inserting “, 1997, 1998, and 1999”;

12 (9) in paragraph (7) by striking “and 1997”
13 and inserting “1997, 1998, and 1999”; and

14 (10) in paragraph (8) by striking “and 1997”
15 and inserting “1997, 1998, and 1999”.

16 **SEC. 303. DONOR STATE BONUS AMOUNTS.**

17 Section 1013(c)(1) of the Intermodal Surface Trans-
18 portation Efficiency Act of 1991 (23 U.S.C. 157 note; 105
19 Stat. 1940) is amended by adding at the end the following
20 new subparagraphs:

21 “(G) For fiscal year 1998 \$514,000,000.

22 “(H) For fiscal year 1999 \$514,000,000.”.

23 **SEC. 304. APPORTIONMENT ADJUSTMENTS.**

24 (a) HOLD HARMLESS.—Section 1015(a)(1) of the
25 Intermodal Surface Transportation Efficiency Act of 1991

1 (23 U.S.C. 104 note; 105 Stat. 1943) is amended by strik-
2 ing “1997” and inserting “1999”.

3 (b) 90-PERCENT OF PAYMENT ADJUSTMENTS.—Sec-
4 tion 1015(b)(1) of such Act is amended by striking
5 “1997” and inserting “1999”.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
7 1015(e) of such Act is amended by striking “1997” and
8 inserting “1999”.

9 **SEC. 305. SET-ASIDE FOR 4R PROJECTS.**

10 Section 118(c)(2)(A) of title 23, United States Code,
11 is amended by striking “fiscal year 1997” and inserting
12 “each of fiscal years 1997, 1998, and 1999”.

13 **SEC. 306. DISCRETIONARY BRIDGE PROGRAM.**

14 Section 144(g)(1) of title 23, United States Code, is
15 amended by striking “and 1997” each place it appears
16 and inserting “1997, 1998, and 1999”.

17 **SEC. 307. NATIONAL HIGH-SPEED GROUND TRANSPOR-**
18 **TATION PROGRAMS.**

19 Section 1036(d)(1) of the Intermodal Surface Trans-
20 portation Efficiency Act of 1991 (105 Stat. 1986) is
21 amended—

22 (1) in subparagraph (A) by striking “fiscal year
23 1997” and inserting “each of fiscal years 1997,
24 1998, and 1999”; and

1 **SEC. 312. HIGHWAY SAFETY AUTHORIZATION OF APPRO-**
2 **PRIATIONS.**

3 Section 2005 of the Intermodal Surface Transpor-
4 tation Efficiency Act of 1991 (105 Stat. 2079) is
5 amended—

6 (1) in paragraph (1) by striking “and 1997”
7 and inserting “1997, 1998, and 1999”; and

8 (2) in paragraph (2) by striking “1997” and in-
9 serting “1999”.

10 **SEC. 313. HIGHWAY SAFETY OBLIGATION CEILINGS.**

11 Section 2009 of the Intermodal Surface Transpor-
12 tation Efficiency Act of 1991 (105 Stat. 2080) is amended
13 by striking subsections (a) and (b) and inserting the fol-
14 lowing:

15 “Sums authorized to be appropriated by this title and
16 the amendments made by this title shall not be subject
17 to any obligation limitation.”.

18 **SEC. 314. FEDERAL TRANSIT ACT AUTHORIZATIONS.**

19 Section 5338 of title 49, United States Code, is
20 amended—

21 (1) in subsection (a)(1)(E) by striking “the fis-
22 cal year ending September 30, 1997” and inserting
23 “each of fiscal years 1997, 1998, and 1999”; and

24 (2) in subsection (b)(1)(E) by striking “the fis-
25 cal year ending September 30, 1997” and inserting
26 “each of fiscal years 1997, 1998, and 1999”.

1 **SEC. 315. REDUCTION IN FEDERAL TRANSIT ACT AUTHOR-**
2 **IZATIONS FOR BUDGET COMPLIANCE.**

3 Section 3038 of the Intermodal Surface Transpor-
4 tation Efficiency Act of 1991 (105 Stat. 2138) is repealed.

5 **SEC. 316. MOTOR CARRIER SAFETY GRANT PROGRAM.**

6 Section 31104(a)(5) of title 49, United States Code,
7 is amended by striking “the fiscal year ending September
8 30, 1997” and inserting “each of fiscal years 1997, 1998,
9 and 1999”.

10 **SEC. 317. 2-YEAR EXTENSION OF HIGHWAY TRUST FUND**
11 **EXPENDITURES.**

12 Subsections (c)(1) and (d)(3) of section 9503 of the
13 Internal Revenue Code of 1986, as amended by this Act,
14 are each amended by striking “1997” and inserting
15 “1999”.

16 **TITLE IV—RELIEF FROM CREDIT**
17 **CRUNCH**

18 **SEC. 401. LOOSENING OF REQUIREMENTS ON LOAN LOSS**
19 **RESERVES ENCOURAGED.**

20 (a) FINDINGS.—The Congress hereby finds that—

21 (1) the economy of the United States has been
22 in a sustained period of slow growth;

23 (2) credit for commercial and consumer loans
24 and leases has become more difficult to obtain over
25 the past three years, resulting in a “credit crunch”;

1 (3) the banking industry has adopted a cautious
2 credit policy in response to the state of the economy
3 and the problems experienced by the savings and
4 loan industry;

5 (4) the Federal Reserve has lowered its reserve
6 requirements on member banks for both checking
7 and savings deposits over the past two years in an
8 effort to stimulate the economy, with only moderate
9 success; and

10 (5) the loosening of the requirements on loan
11 loss reserves by State banking authorities and the
12 appropriate Federal banking agencies, as that term
13 is defined in section 3(q) of the Federal Deposit In-
14 surance Act (12 U.S.C. 1813(q)), might help stimu-
15 late the economy.

16 (b) DECLARATION.—It is the sense of the Congress
17 that—

18 (1) the current “credit crunch” should be eased
19 by making it easier for businesses and individuals to
20 obtain loans and leases; and

21 (2) State banking authorities and the appro-
22 priate Federal banking agencies, as that term is de-
23 fined in section 3(q) of the Federal Deposit Insur-
24 ance Act (12 U.S.C. 1813(q)), should more sensibly

1 apply the requirements on loan loss reserves so as
2 not to punish or restrain responsible borrowers.

3 **TITLE V—CAP ON FEDERAL**
4 **EMPLOYMENT**

5 **SEC. 501. CAP ON FEDERAL EMPLOYMENT.**

6 (a) EMPLOYMENT CAP.—Notwithstanding any other
7 provision of law, the total number of individuals employed
8 by the Federal Government may not exceed the number
9 of individuals employed by the Federal Government on the
10 date of the enactment of this Act.

11 (b) RESCISSION OF APPROPRIATIONS.—Notwith-
12 standing any other provision of law, there are hereby re-
13 scinded all unobligated amounts that were appropriated
14 before the date of the enactment of this Act to pay salary,
15 wages, or benefits for a position in the employment of the
16 Federal Government that is not filled on that date.

17 **TITLE VI—REDUCTION IN**
18 **FEDERAL OVERHEAD EXPENSES**

19 **SEC. 601. REDUCTION OF AMOUNTS AVAILABLE TO FED-**
20 **ERAL AGENCIES FOR PAYING OVERHEAD EX-**
21 **PENSES.**

22 (a) RESCISSION OF APPROPRIATIONS.—Notwith-
23 standing any other provision of law, there is hereby re-
24 scinded an amount equal to 10 percent of all unobligated
25 amounts that were appropriated before the date of the en-

1 actment of this Act to pay overhead expenses of any Fed-
2 eral agency.

3 (b) REDUCTION IN AUTHORIZATIONS.—The amount
4 authorized to be appropriated for any fiscal year to pay
5 overhead expenses of any Federal agency is hereby re-
6 duced by 10 percent.

7 (c) OVERHEAD EXPENSES DEFINED.—For purposes
8 of this section, the term “overhead expenses” means any
9 expense incurred by a Federal agency, except—

10 (1) the payment of salaries and wages of em-
11 ployees of the agency; and

12 (2) direct spending (as that term is defined in
13 section 250 of the Balanced Budget and Emergency
14 Deficit Control Act of 1985).

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