

Rothman Statement On House Passage Of \$550 Billion Tax Scheme

May 9, 2003

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Washington, DC – Congressman Steve Rothman (D-NJ9) today released the following statement after the Republican-controlled House forced through a fiscally irresponsible \$550 billion tax cut.

“The \$550 billion tax cut that the Republican-controlled House passed today is a blatant demonstration of fiscal irresponsibility. At a time when this country is facing record budget deficits, when we have critical homeland security needs that must be addressed, when most states in the nation including New Jersey are billions of dollars in debt, when 45 million Americans can’t afford health insurance, when many seniors don’t have enough money to pay for both food and prescription drugs, and when we are just a handful of years away from when the Baby Boomers retire and face a Social Security system that may not have enough money to pay for all promised retirement benefits, this non-economic stimulus tax cut for the rich is wrong for our economy and our future.

“I believe in providing tax relief this year, but I strongly believe that this tax cut is wrong because it disproportionately benefits the wealthiest top one percent of Americans whose average income is \$640,000, while leaving almost everyone else behind. I support the Democratic economic stimulus package, which would provide tax relief to the majority of Americans, send money to the states, create jobs, and improve the economy for everyone this year. Unfortunately, the Republican-controlled House refused to allow a vote on this measure today, but I will continue to push for passage of this measure.

“The plan I support would continue and expand the unemployment benefit program, increase the child tax credit to \$800, accelerate the widening of the 10 percent tax bracket to allow more taxpayers to pay the lowest rate, provide relief to couples who are unfairly penalized by the marriage tax penalty, create a \$75,000 tax deduction for small businesses on equipment purchases -- thus freeing up cash for new jobs and further investment, and allow all businesses a bonus accelerated depreciation of 50 percent for a year. The plan also commits more than \$44 billion to states and municipalities to address their budget crises and help relieve local taxpayers of the cost of education, transportation, homeland security, and Medicaid needs.

“President Bush inherited a \$5.6 trillion, ten-year surplus and through his reckless and wrongheaded fiscal policy has turned it into a \$2 trillion deficit. Since President Bush has been in office, more than 2.7 million Americans have lost their jobs. This new \$550 billion tax cut won’t help New Jersey. Congress should provide targeted tax relief to families, individuals, and businesses, while at the same time investing in our state’s roads, bridges, and schools, modernizing our sewer systems, and cleaning up our waterways and our air, thus reenergizing our economy and improving the overall quality of life for our people.”

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