

LARSON STATEMENT ON THE SIGNING OF THE BUSH TAX CUT

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WASHINGTON, D.C.—U.S. Congressman John B. Larson (CT-01) gave the following statement on President Bush signing tax cut legislation into law today.

“For 32 million Americans there will be no tax relief and we will not be able to fund prescription drug relief for seniors, or special education for our children. And for those who have a check in the mail – most of that money will be offset by high energy and gasoline prices, as well as the cost of prescription drugs and education.

“The tax cut being signed into law today means that some Americans will receive a check and pay less in taxes, but there are also drastic consequences. This massive tax cut guarantees that many of the needs of the American people will not be met, including maintaining the solvency of Social Security and Medicare, a prescription drug benefit for seniors, investment in education, national defense, veterans benefits -- and the list goes on and on.

“Everyone is in favor of a tax cut – but one that is reasonable and responsible, that goes to the people who really need it. This cut is unfairly slanted towards wealthier Americans, at the expense of working families. Thirty-eight percent of this tax cut goes to the wealthiest 1% of Americans. We are losing an opportunity to maintain a balanced budget, pay down the national debt, and meet the needs of the American people.

“The cut is also stocked full of gimmicks. Marriage penalty tax relief isn't fully effective until 2009, but then sunsets in 2010. The legislation also pretends to address the tax problem caused by the Alternative Minimum Tax (AMT) that faces millions of middle-class families, but then allows this imaginary fix to expire in 2004. The estate tax provisions serve as a massive give-away for America's wealthiest families for a number of years, but then reverses course in 2011.

“The cut is also based on 10-year projections – no company, no CEO, no small business, and no family would in their right minds base their future financial security on overly optimistic earnings projections that are 10 years out. The President and Republican leaders are gambling not only with our budget, but also our future.”

“America has an unprecedented opportunity to fix its long-term responsibilities and invest in its people, unfortunately the president and the Republican leadership have squandered this opportunity for the nation.”

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