

THE DAILY WHIP

Friday, May 9, 2003 | Floor News from Democratic Whip Steny Hoyer

HOUSE MEETS AT...	LAST VOTE PREDICTED...
9:00 a.m.: Legislative Business	1:00 - 2:00 p.m.
Number of "One-Minutes" Today: 5 per side	

***** NOTE THAT TODAY WE EXPECT IMPORTANT VOTES ON THE REPUBLICAN TAX CUT. ATTENDANCE IS CRITICAL. PLEASE NOTIFY THE DEMOCRATIC WHIP'S FLOOR STAFF IF YOU PLAN TO BE ABSENT.**

FLOOR SCHEDULE AND PROCEDURE

The House will convene at 9:00 a.m. for legislative business. A Journal Vote is expected right after One Minutes at approximately 9:15 a.m.

H.R. 2 – Jobs and Growth Tax Reconciliation Act of 2003 (Thomas – Ways and Means) (Subject to a Rule). As they did with the Budget Resolution, House Republicans have produced a tax package that takes the irresponsible proposal of the Administration and makes it worse. The Republican proposal provides \$550 billion in tax cuts over the next 11 years and concentrates its benefits among the wealthiest Americans. This reckless proposal cuts taxes during a time of record deficits and uncertainty over the cost of continued operations in Iraq and the War on Terrorism, the worst fiscal crisis for state and local governments in a half-century, and national job losses nearing 2.7 million over the past two years and mounting at a rate of almost 75,000 per month.

- **Republicans call for \$296 billion in tax cuts for dividends and capital gains** that extend for 10 years. The Republican proposal treats dividend income like capital gains and lowers the tax rate on both to 15% (5% for taxpayers in the 10% and 15% brackets). Most dividends are currently treated as ordinary income and taxed at a rate 38.6%. Capital gains are currently taxed at a rate of 20%, and long-term (held five years) gains are taxed at 18% (10 and 8%, respectively for the lowest brackets).
- **Republicans short-change working Americans.** The GOP plan accelerates the implementation of the 2001 tax rate cuts for individuals in the top brackets, but sunsets the increases for the 10% bracket, marriage penalty relief and child credit expansion after three years, at which time the rates would return to what is provided in current law. This allows the tax cuts for the wealthiest to survive the longest and skews the distributional aspects to the extreme. The average tax cuts for millionaires would be \$93,537 while families making \$50,000-75,000 receive \$705 and those making \$20,000-30,000 would get \$189. In addition, the number of taxpayers who become subject to the Alternative Minimum Tax (AMT) grows from 2 million in 2003 to 15 million in 2006 because Republicans fail to

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provide a long-term fix and shift the AMT impact forward until only one year after the next election.

- **Republicans ignore the need for immediate job-creation and assistance for struggling State and Local Governments** this year by refusing to include any extension of unemployment benefits or aid to states. With collective deficits over the past two fiscal years exceeding \$200 billion, and the indifference from the White House and Congressional Republicans, state & local governments are being forced to cut services and raise taxes.
- **Republicans borrow from future generations to enact more tax cuts that burden a shaky economy with increased deficits and long-term debt, negating any of the purported benefits to the economy.** Millions of working families will suffer under the burden of this misguided plan that could result in \$2 trillion in increased deficits and debt while borrowing from Social Security and crowding out room for critical investments.

The Rules Committee has recommended a closed rule that denies Democrats the opportunity to offer key amendments to the bill, including the Democratic substitute that would extend unemployment benefits, expand the child tax credit, provide assistance to state and local governments, and offer job-creating incentives for businesses.

Therefore, Democrats are urged to VOTE NO on the Previous Question on the Rule in order to allow consideration of the "Rebuilding America Through Jobs" Democratic Substitute. If the Previous Question is not defeated, Democrats are urged to VOTE NO on the Republican Rule.

If the unfair Republican Rule is adopted, Ranking Member Rangel is expected to offer a motion to recommit, which would include key components of the Democratic Substitute.

DEMOCRATS ARE STRONGLY URGED TO VOTE NO ON FINAL PASSAGE OF H.R. 2

DAILY QUOTE...

"The worst thing to be said for the differing [tax] bills now moving through the two houses is that they continue to emphasize upper-bracket boons while totally ignoring the plight of the nation's unemployed workers."

- *The New York Times* today

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