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Democrats' Trillion Dollar Tax Increase Met by Strong GOP Rejection

Rangel's "Mother of All Tax Hikes" is a Nightmare for Families

WASHINGTON, D.C. – Republican Study Committee Members strongly rejected legislation introduced by Ways & Means Chairman Charlie Rangel (D-NY) and House Democrats that will increase taxes on hard working Americans by over \$1.3 trillion. RSC members noted that the \$1.3 trillion **belongs to taxpayers, not Washington**, and is essential for families who depend on it to send their children to college, to pay their health care premiums, to cope with higher gas prices, and to launch their American dream.

RSC Members Tom Price (R-GA), Jim Jordan (R-OH), Patrick McHenry (R-NC), and Michele Bachmann (R-MN) issued the following statements after the massive Democrat plan was introduced:

Price Statement:

"This flawed proposal has everything you would expect in a classic Democrat tax and spend package, economy busting tax hikes, marriage penalties, disincentives for investment and hard work, and copious gimmicks. This package demonstrates the massive appetite of Washington Democrats for more bureaucracy and more hard earned American tax dollars. House Republicans will work to ensure that a bigger Washington does not threaten a bigger paycheck for all Americans."

Jordan Statement:

"Everyone knows the AMT needs to be fixed, but this so-called reform ignores taxpayers and seeks only to benefit the federal government. Instead of looking for new taxes to increase, we should be looking for ways to put more money into the hands of the families, taxpayers and business owners, where it can do some real good for our economy. When Democrats in Washington mention 'tax reform', you'd better hold on to your wallets."

McHenry Statement:

"Washington has a spending problem, not a revenue problem. The federal government is set to spend more money next year than the GDP of every country on Earth other than Japan. The Democrats have already voted to raise taxes by more than \$100 billion this year, so it's not surprising that their idea of tax reform simply means higher taxes. The

surprising part is that they'll tell you with a straight face that a trillion dollar tax hike is a major accomplishment."

Bachmann Statement:

"As a former federal tax attorney, I understand the impact of the arbitrary AMT all too well. But Chairman Rangel's plan to raise taxes by \$1 trillion takes us in the wrong direction. Rather than indulging Congress's insatiable spending appetite at the expense of hard working Americans, we should move forward with a simple and fair plan that puts taxpayers first. The Taxpayer Choice Act would help families to avoid the AMT while providing an alternative to our complex system of paying taxes."

The Republican Study Committee has introduced *The Taxpayer Choice Act*, a comprehensive, individual income tax reform initiative with two principal goals:

1. eliminating massive future tax increases by repealing the Alternative Minimum Tax; and;
2. providing individuals a choice for an alternative tax system that is transparent, simple and efficient.

The AMT was created in 1969 by Congress to target 155 people who were eligible for tax benefits that resulted in their paying little or *no* federal income tax. Today, the "tax-the-rich" policy intended to penalize 155 people has spiraled so out of control that, if ignored in the next few months, it will hit *25 million* hard-working middle class American families. In 1999, the GOP-controlled Congress passed a full repeal of the AMT, which President Bill Clinton swiftly vetoed.

Unlike any other AMT reforms offered to date, the RSC plan will not increase taxes for ANY American and will retain a fair and equitable distribution of federal tax burdens. The RSC plan offers a choice: taxpayers can choose the new system or stay with the current tax code. They have the freedom to select the option that best suits *their* particular circumstances.

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The Republican Study Committee consists of over 100 conservative Republican members of the House of Representatives.

http://www.house.gov/list/press/tx05_hensarling/rsc/102507DemTaxIncrease.html