

June 25, 2008 - Slaughter Applauds Passage of Bill To Provide Tax Relief for Middle-Class Americans

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Rep. Slaughter
Applauds Passage of Bill To Provide Tax Relief for Middle-Class Americans

WASHINGTON, D.C. — Congresswoman Louise M. Slaughter (D-NY-28), Chairwoman of the House Committee on Rules, today joined colleagues in passing H.R. 6275, the Alternative Minimum Tax Relief Act of 2008, to protect millions of families from the alternative minimum tax (AMT) this year.

This legislation will responsibly provide tax relief to middle-class families by ensuring that the number of taxpayers subject to the AMT will not increase. Failure to enact this legislation will leave more than 25 million families nationwide, and 33,272 in the 28th Congressional District of New York, facing a tax increase this year.

“This critical legislation protects hard-working, middle-class American families from paying a tax that they were never intended to pay in the first place,” said Rep. Slaughter. “With our economy sliding towards recession, American families, already coping with the skyrocketing cost of groceries and gasoline, simply cannot afford to pay more in taxes.”

Congress first enacted the AMT in 1969 after receiving testimony from President Lyndon B. Johnson's Treasury secretary that 155 wealthy taxpayers paid no taxes on their 1967 returns. The AMT — intended to be a “millionaire’s tax” — was designed to

prevent the super-rich from exploiting loopholes in the tax code and claiming excessive deductions.

Due to inflation, the AMT's reach has grown beyond the richest Americans and unless this legislation is enacted, 25 million American families would have to pay, on average, \$2,400 more in taxes for 2008.

BACKGROUND ON LEGISLATION

- H.R. 6725 protects 25 million middle-class taxpayers -- who were never intended to pay the AMT in the first place and would otherwise be subject to \$61.5 billion in taxes over the next 5 years -- from being unexpectedly hit by this "stealth tax";
- H.R. 6725 highlights Democratic priorities by providing millions of middle-class families with alternative minimum tax relief without contributing to the deficit.
- The cost of the bill is fully offset, demonstrating the House Democratic Caucus's commitment to fiscal discipline and the PAYGO rule.
- In addition to protecting middle-class families from being hit by the AMT, the bill provides millions of homeowners with property tax relief and helps parents by allowing them to offset their entire tax liability through child credits and adoption credits.
- By paying for the cost of AMT relief the bill ensures that our children and grandchildren will not have to borrow billions of dollars from China to drive our economy, as the Bush Administration has done.
- The bill is offset by closing loopholes in the tax code, encouraging tax compliance, and repealing excessive subsidies given to oil and gas companies at a time of record profits.

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