



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 9, 2003
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 2 - Growth and Jobs Tax Act of 2003

(Rep. Thomas (R) California and 52 sponsors)

On January 7th, President Bush announced his Jobs and Growth plan to strengthen the American economy. It is a balanced plan designed to encourage consumer spending to boost the economic recovery while promoting investment by individuals and businesses that will lead to economic growth and job creation. Administration economists estimate the plan would help create 1.4 million new jobs by the end of 2004. Over the past four months, the need to enact the President's plan to create jobs and grow the economy has become more urgent.

The Administration strongly supports House passage of H.R. 2 and commends the House for including all the elements of the Jobs and Growth plan proposed by the President. As reported out of the Ways and Means Committee under Chairman Thomas' leadership, H.R. 2 accelerates the reductions in individual income tax rates that were enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 but that are not scheduled to take effect for some years. The legislation similarly accelerates the 2001 Act's increase in the child credit and its reduction of the marriage penalty. The legislation also increases small business expensing and significantly reduces the double taxation of dividends. This bill is a strong and positive step forward that will help the economy create new jobs today while permanently raising the wages and living standards of American workers now and in the future.

The Administration will continue to work with the Congress in crafting a final bill that best embodies the objectives and priorities of the President's plan, including the elimination of double taxation on dividends, to strengthen job creation and economic growth to the greatest extent possible.

Pay-As-You-Go Scoring

The Budget Enforcement Act's pay-as-you-go requirements and discretionary spending caps expired on September 30, 2002. The Administration supports the extension of these budget enforcement mechanisms in a manner that ensures fiscal discipline and is consistent with the President's budget. The Administration will work with Congress to meet the President's objectives to grant tax relief to all income tax paying Americans.

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