



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

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## MEMORANDUM

To: Reporters and Editors  
Re: President's Budget Proposal  
Da: Monday, Feb. 6, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over taxes including tax-favored health coverage vehicles such as health savings accounts, and Medicare and Medicaid, today made the following comment on the President's budget proposal.

"The President's budget always sets off a good debate on Capitol Hill. I appreciate President Bush's effort to outline his priorities. I agree with making tax relief permanent. Permanence is important for continued economic growth. By encouraging small business investment, and giving consumers more of their money to spend, we've helped the economy. Sunsetting the bipartisan tax relief would raise taxes on hard-working taxpayers. Permanence gives taxpayers reliability. They should know that we won't pull the rug out from under them. And it's good to see the budget include alternative minimum tax relief for millions of middle-income families for one year. It used to be lonely to call for AMT relief. Now there seems to be near-universal agreement in Congress and the executive branch that the AMT is a serious problem.

"Congress just finished reducing the growth of Medicare and Medicaid by \$11.1 billion over the next five years, and it wasn't an easy legislative accomplishment. Any more reductions of a significant scope could be difficult this year. If Medicare reductions do end up on the table, the Medicare Advantage regional stabilization fund has to be front and center. Since the plan hasn't been used at all, and there are already a good number of plans participating, it's clear this fund is no longer needed.

"I look forward to reviewing the President's proposals to help uninsured Americans get health coverage. With millions of uninsured people, we need to get off the dime. We need a thoughtful debate on how to offer more access to good, affordable health care. The Treasury and Health and Human Services secretaries are both testifying before my committee this week, and I look forward to the discussion of health savings accounts and other ideas.

"Protecting the American people is the sole responsibility of the executive branch of government. The President has made clear in his budget that winning the war on terror and defending our homeland is his top priority.

“The President’s budget also funds several priorities he outlined during his State of the Union address that help relieve our dependence on foreign sources of oil. The priorities funded show the importance of using our homegrown, renewable resources with new technology that can bring us the energy we need without relying on an unstable area of the world for our energy needs.

“Once again, the administration has voiced its support for limiting the farm program payments that go to big scale farm operations. The President has embraced two major themes from my comprehensive legislation to focus farm payments to those who need it most. In the President’s budget he supports my limit of \$250,000 for all farm payments and the elimination of the three-entity rule. This is similar to my legislative proposal that was offered during budget reconciliation that would have saved the taxpayers nearly \$1.1 billion over five years.

“I also applaud the President’s increased funding for the Office of Civil Rights at the Department of Agriculture. It’s important that USDA continue to increase not only the funding for this office, but also the authority and the autonomy to help this office make a difference for minority farmers and employees.”