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Press_Office@finance-rep.senate.gov

MEMORANDUM

To: Reporters and Editors
Re: Ways and Means small business tax package
Da: Friday, Feb. 9, 2007

Sen. Chuck Grassley, ranking member of the Committee on Finance, today made the following comment on the small business tax relief package scheduled for consideration by the House Committee on Ways and Means on Monday.

“Thank goodness the House Democratic leaders changed their mind about getting a minimum wage/small business tax relief package passed. Now we need to make sure their bill actually does something at the same time the minimum wage is increased. The Senate-passed tax relief bill for the minimum wage increase was already peanuts compared to the one passed in 1997 with President Clinton and Senator Kennedy’s support. Alongside the tax relief that small businesses deserve, Congress should take advantage of the tax reforms in the Senate-passed bill. There’s no good reason to delay passage of our measures to close loopholes and shut down tax shelters. It’ll be pretty disappointing if the new leadership of Congress fails to live up to its reform rhetoric by abandoning these reforms. For example, companies that rushed to beat our crackdown on corporate inversions and opened a post office box in Bermuda to avoid U.S. taxes will celebrate that they pulled off a fast one. By not passing the crackdown on leasing deals, we’ll force the IRS to continue investing resources to challenge depreciation deductions claimed by U.S. banks on foreign subways and sewer systems. We all know the IRS has better things to do, like answer taxpayers’ questions.”