

Time To Sink Democrat Raft Of Tax Hikes

By REPRESENTATIVE TIM WALBERG | Posted Tuesday, July 17, 2007 4:30 PM PT

In Ronald Reagan's famed "A Time for Choosing" speech in 1964, the future president clearly analyzed the economic crossroads America found itself in and still struggles with today.

Reagan remarked:

"We need true tax reform that will at least make a start toward restoring for our children the American Dream that wealth is denied to no one, that each individual has the right to fly as his strength and ability will take him. . . .

"But we cannot have such reform while our tax policy is engineered by people who view the tax as a means of achieving changes in our social structure."

Right now, Democrats in Congress are discounting advancements made possible by the 2001 and 2003 tax relief passed by Congress and are trying to slap taxpayers with a \$400 billion tax increase that will slow our economy's progress.

Raising taxes hurts American families, discourages innovation and hinders job creation.

If Democrats follow through on their budget promises, the American people will face the following:

- A \$500 per child tax increase.
- A 55% death tax.
- A 13% tax increase for many small businesses.
- A 33% tax increase on capital gains.
- A 164% tax increase on dividends.

This tax-increase plan seems to ignore recent news reports that indicate tax relief passed in 2001 and 2003 is working.

The New York Times, rarely a bastion of pro-capitalism economic news, reported on its June 11 front page that this year "more than 40 states have found themselves with more money than they planned. . . . States are looking to give relief to taxpayers who have long been howling about property taxes, and to pay back areas that states have been robbing to balance previous budgets."

Just last week, news reports indicate our federal budget deficit has continued to drop and our economy continues to grow due to the same tax relief policies passed by Congress.

As Congressional Democrats ponder the ramifications of their gigantic tax increase, they should look across the sea.

Massive tax-and-spend policies in countries like France and Germany have led to anemic job creation and stagnant economies.

France elected a new president based largely on his pledge to cut taxes, balance the French budget and get its economy moving again.

Republicans and Blue Dog Democrats in Congress must join together to ensure the American economy is not crippled by a massive, European-style tax increase.

The Democratic plan would raise taxes by \$3,019 for each person in my south-central Michigan district, according to a

recent Heritage Foundation study.

Additionally, the Heritage study revealed this tax increase would cause 2,272 job losses in south-central Michigan and cost my district's economy \$207 million.

These numbers are not exclusive to my district, as 100% of Americans will feel the effects of this massive tax increase.

Last month, I introduced the Tax Increase Prevention Act, legislation that would make permanent tax relief passed in 2001 and 2003.

If my bill becomes law, the American people will see none of the tax increases Democrats are proposing on things like marriage, childbirth, adoption, earning money, saving money, paying college loans and dying.

My bill simply takes away all the sunset provisions of the 2001 and 2003 tax relief packages that passed Congress and provides American families and job creators the certainty to plan for the future.

By making these tax cuts permanent and continuing to boost our economy, this Congress can foster further prosperity and build a better, brighter future for our country.

Walberg is a Republican member of the House of Representatives from Michigan.

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