

## Rep. Ellen Tauscher Backs Democratic Budget

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## Rep. Ellen Tauscher Backs Democratic Budget

### Budget Fixes Alternative Minimum Tax, Restores Fiscal Discipline, and Puts the United States Back on the Road to Growth and Prosperity

Washington, DC &ndash; Today, Rep. Ellen Tauscher backed the Democratic Majority's Budget Resolution which passed the House by a vote of 216-210. The House of Representatives' budget begins to reverse six years of harmful cuts to essential programs while reflecting our nation's priorities and values. The budget expands health care for our children, provides our troops and veterans with care worthy of their service, supports education for a 21st century workforce and a growing economy, and invests in renewable energy in the face of global warming.

The Democratic Budget also fixes the tax code for millions of American families by setting up a reserve fund to correct the alternative minimum tax (AMT). This reform will provide 23 million Americans with a long-deserved tax cut. California's Tenth Congressional District, represented by Congresswoman Tauscher, has one of the highest percentages of people hit by the alternative minimum tax in the nation. In 2004, 6.55% of all taxpayers in the district were subject to the AMT, averaging an additional tax burden of \$4,684 per return.

&ldquo;The Bush administration has created a tax trap with the alternative minimum tax. Instead of giving families more money in their pockets, every April millions of Americans are socked with the AMT. That's why we're making tax cuts for families a priority by fixing the AMT and extending policies like the child tax credit and marriage penalty relief. This budget represents Democrats' willingness to tackle issues like children's healthcare, veterans' services, and renewable energy. Not only are we addressing these issues, but we are doing so in a fiscally responsible manner, spending taxpayer money wisely, and not raising taxes,&rdquo; said Rep. Tauscher. &ldquo;This process is about two things, putting forward a responsible, rational budget that supports all Americans and restoring fiscal discipline. For the first time in over a decade, the Congress is giving Americans a budget that does what they do every day &ndash; balance their checkbooks and their priorities.&rdquo;

The budget reinstates the Democrats' principle of &ldquo;Pay As You Go,&rdquo; requiring that all expenditures be offset with equal cuts. This policy promises to balance the budget with a surplus by 2012, one year before the President's budget would. The budget also extends the President's tax cuts, which will remain in effect until they expire in 2010. After 2010, unlike previous Republican proposals, it extends those tax-cuts and actually pays for them with pay-as-you-go principles. It also seeks to enhance revenues by going after the &ldquo;tax gap&rdquo; &ndash; the difference between taxes owed and taxes collected &ndash; and by cracking down on waste, fraud, and abuse in government programs.

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