

**Rep. Dina Titus**

**March 11, 2009**

**House Committee on the Budget – Members’ Day Hearing**

Thank you, Chairman Spratt, for the opportunity to express my views on the President’s budget before your committee. During this time of economic uncertainty, it has never been more important to closely examine each and every dollar of federal spending. I appreciate the work you are doing to ensure that all points of view are considered throughout this budget process. While I am pleased by much of the President’s request, particularly the investments in clean energy technology, I have concerns about some of the tax provisions included in the budget outline.

The President’s budget outline indicates important investments in the research, development and deployment of renewable energy technologies. I have heard from many of the businesses in my Congressional District that the credit crisis has caused the renewable energy industry to come to a screeching halt. I strongly supported provisions in the economic recovery package that will make it easier for solar, wind and other renewable industries to gain access to the capital necessary to deploy these new technologies at speed and scale. I am pleased that the President’s budget builds on the recovery package and supports the loan guarantee program for innovative technologies, including renewable energy projects and transmission projects. I also strongly support investments in research, development and deployment of renewable energy technologies and investment in the electric grid, as outlined in the President’s request. And lastly, I applaud the President for scaling back the Yucca Mountain program. For years, Nevadans have fought against this disastrous plan to store nuclear waste in our

backyard. The President's budget is a significant step in the right direction.

I recognize that we must make difficult choices in order to reduce the deficit and improve the economy. However, I remain concerned about President Obama's proposal to reduce the itemized deduction rate for families with incomes over \$250,000. I am particularly concerned with the impact this provision could have on housing and charitable giving.

The Mortgage Interest Deduction (MID) is an important incentive that encourages Americans all over the country to buy homes. Many consider the MID to be the *single* most important tax incentive facilitating home ownership in the United States. I am concerned that reducing the value of this incentive would lead to the further deterioration of the housing market. It has become evident over the past few years that the housing market is closely tied to the national economy as a whole. With the economy in its current state, we simply cannot afford to make changes to the tax code that could lead to a further decline in home prices. The housing market in my Congressional District in Nevada – previously one of the fastest growing markets in the nation – is currently in shambles. Today, nearly 58.2 percent of Las Vegas homes have negative equity. We can't afford to let prices drop any further by making it less attractive to buy a home.

I am similarly concerned about the impact the proposal to reduce the itemized deduction rate could have on charitable giving. The tax deduction for charitable giving encourages Americans to make contributions to philanthropic organizations, many of which have been hard hit by the economic crisis. With so many people in need, the services many charities provide are in high demand. I believe that it is the wrong time to make changes to the tax code that could make charitable contributions less attractive.

Thank you again, Mr. Chairman, for the opportunity to express my views about the President's FY 2010 budget request. I look forward to working with you to ensure that Congress passes a responsible budget that puts our economy back on the right track.