

FAIR Taxes for ALL

Co-chairs: People For the American Way, American Federation of State, County & Municipal Employees, National Women's Law Center, Leadership Conference On Civil Rights, USAction, Campaign for America's Future

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To: Editorial Page Editors, Writers and Columnists

From: Leaders of the Fair Taxes for All Coalition

Nancy Duff Campbell, Co-President, National Women's Law Center

Ralph G. Neas, President, People For the American Way

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Re: Putting the Brakes on Bush Tax Cuts – House/Senate Conference Committee Meets Next Week

Next week, when the House and Senate negotiate the differences between their tax and budget resolutions in a conference committee, marks a critical moment that will set the course for Americans' economic security for years to come. If the result of the conference committee's work produces anything that looks like the House budget – with its full package of tax cuts for the top one percent of taxpayers paid for by draconian cuts in the programs that the bottom 99% rely on – American families will suffer for decades. We urge you to join us in calling on the committee to hold firm to the Senate's more sane and responsible budget policy and cap any tax cuts at \$350 billion – half the amount sought by the President and approved by the House -- recognizing that even those tax cuts are too high in a time of war and growing deficits.

The House-approved plan would give millionaires an average tax cut of \$90,000; in contrast, half of all tax filers would receive less than \$100. Many on the floor of Congress invoked our fighting troops to justify the need for this massive and irresponsible tax cut; those members should be asked to acknowledge that these same troops will be helping to pay off \$1.3 trillion in deficits over the next ten years when they return home. And, they will be facing an array of cuts in vital programs, including an estimated \$14 billion in veterans' services. This tax and budget plan would be unfair and irresponsible in the best of times. During a time of war, it is completely offensive. So much for shared national sacrifice.

To make room for \$1.4 trillion in new tax cuts, the House budget resolution calls for drastic cuts in programs serving not only veterans, but also millions of middle- and low-income families. Over the next ten years, \$465 billion would be cut from Medicaid, Food Stamps, child care, school lunches, student loans, the Earned Income Tax Credit, Supplemental Security Income for poor elderly and disabled people, and other critical domestic programs. The priorities reflected in the House budget -- cutting services for children, low-wage working families, and elderly and disabled Americans to give additional tax cuts to millionaires -- do not reflect the priorities of most

Americans; in fact, recent polls show that two-thirds of Americans would prefer more domestic spending to President Bush's proposed tax cuts.

Just this week the Congressional Budget Office raised questions about assertions by supporters of the Administration's tax plan that the cuts would spur so much economic growth that deficit concerns are unimportant. The CBO found that the net effect of the tax cuts on economic output could be either positive or negative, but that it was clear that resulting deficits would continue to increase the national debt for at least a decade and interest payments on the debt beyond that.

The Senate rightly became concerned about the size of the President's tax cut and voted to cut it in half as it became increasingly clear that the war in Iraq would be longer and more expensive than originally anticipated. It was unconscionable that the House passed a budget plan that ignored the costs of the war. The Bush Administration's request for an initial \$75 billion will cover some of the war's costs, but does not begin to address the longer-term costs or the costs of humanitarian aid and reconstruction in Iraq. The President has said he is committed to making sure that Iraqi citizens get the food and medicine they need; the Administration and Congress should be equally committed to ensuring the welfare of our nation's struggling middle- and low-income families before granting additional tax cuts to those who need help the least.

To learn more about how your Representatives voted on tax and budget plans, or how your state would be affected by tax cuts, please call 202-588-5180 or visit www.FairTaxes4All.org.

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The Fair Taxes For All Coalition is a massive coalition of coalitions co-chaired by People For the American Way, National Women's Law Center, AFSCME, the Leadership Conference on Civil Rights, USAction, and the Campaign for America's Future. More than 260 national, state and local groups and coalitions – together representing millions of Americans – have pledged to defeat Bush Administration tax proposals that would take resources from health care, education, Social Security, and homeland security in order to give massive tax breaks to the very wealthiest Americans.