



**For Immediate Release**

**September 28, 2006**

**Senate Budget Committee Chairman Judd Gregg's Opening Statement  
Senate Budget Committee Hearing: "State of the Economy and the Budget"**

I thank our distinguished witnesses for taking the time to meet with us today. It is now the end of the fiscal year, which is an excellent time to reflect on the economy and focus on future fiscal policy.

Following a series of severe economic challenges – 9/11, the internet bubble, and corporate scandals - the economy has rebounded well due to Republican pro-growth tax policies that have bolstered economic productivity, job creation and tax revenue.

Since August 2003, the economy has grown at an average annual rate of 3.7% and 5.7 million new jobs have been created. This has generated a record real increase in tax revenues, lowering earlier forecasts of budget deficits by more than 20%. Household net worth is a record high, homeownership is near record levels, and energy prices are dropping.

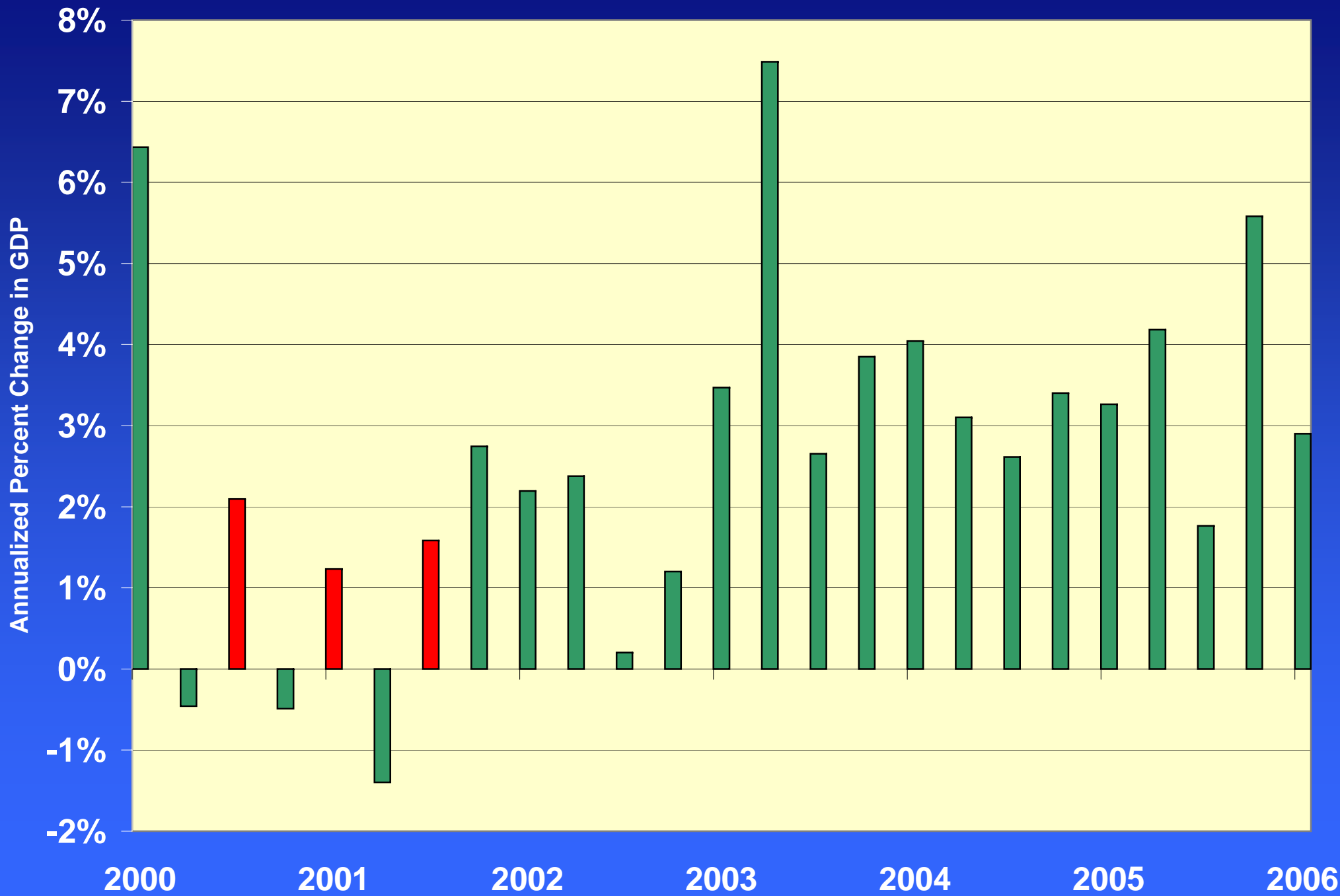
Americans are better off now than they were under the Clinton Administration. Since the 2003 tax cuts, total tax receipts have increased at a faster compound annual rate than when taxes were raised by President Clinton in 1993. Under President Bush, total worker compensation is up 20% and lower-income Americans are paying less in income tax than they were during the Clinton Administration.

Despite liberal allegations to the contrary, the highest-income Americans continue to shoulder the greatest share of the tax burden: 84.9 percent of all individual income tax is paid by the highest-income Americans. Low-income Americans pay virtually no income taxes, and in many cases actually receive payments through the tax system.

It is critically important to the future of the economy that we maintain the pro-growth environment. Tax cuts set to expire over the next few years should be made permanent. Saddling businesses and taxpayers with a higher tax burden that will slow the economy is in no one's best interest.

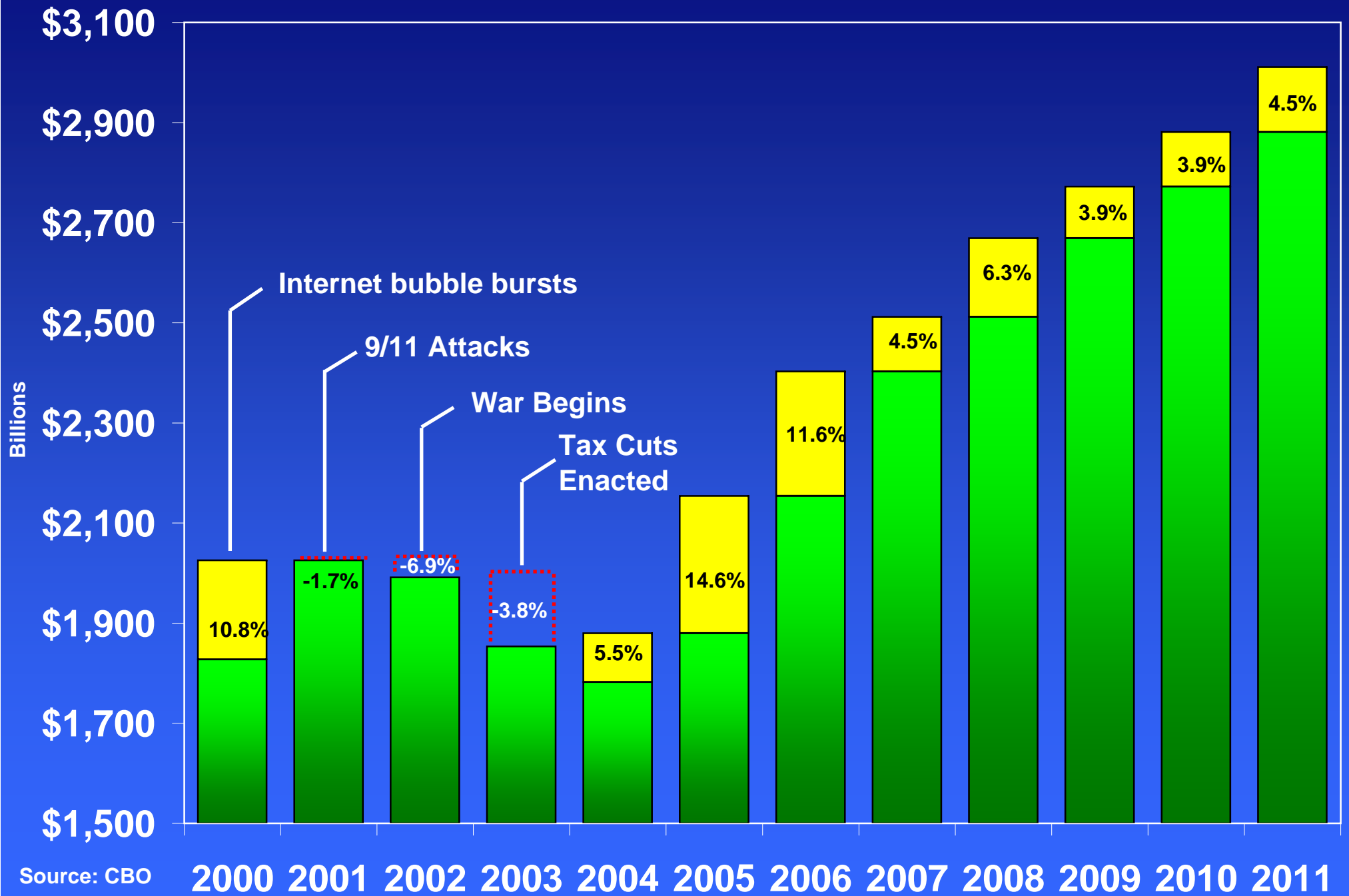
I would like to thank the witnesses for joining us today and I look forward to hearing their testimony.

# 18 Consecutive Quarters of Economic Growth



Source: BEA

# Economic Growth Propels Revenues

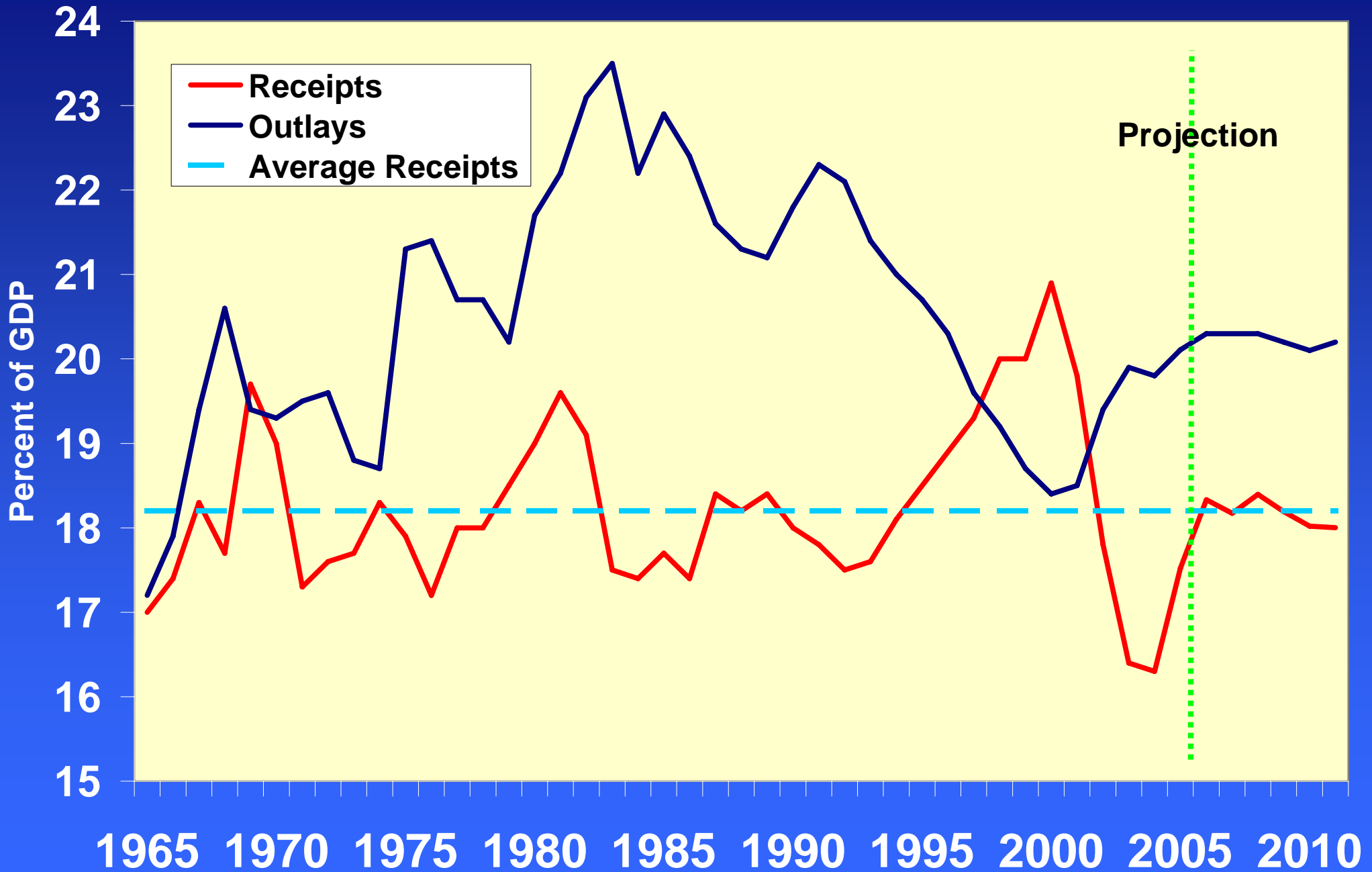


Source: CBO

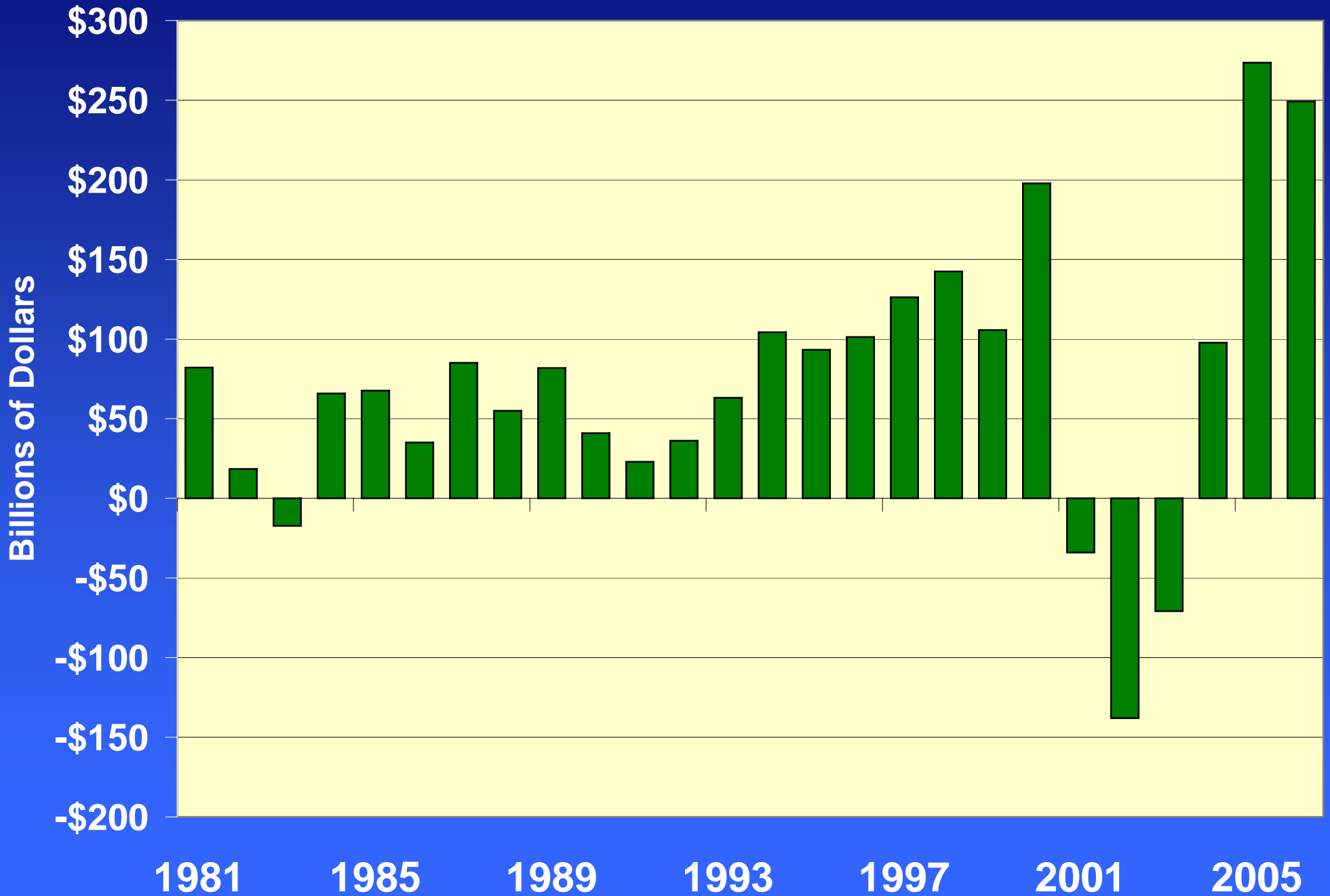
2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

# Revenues Rising back to Historic Average

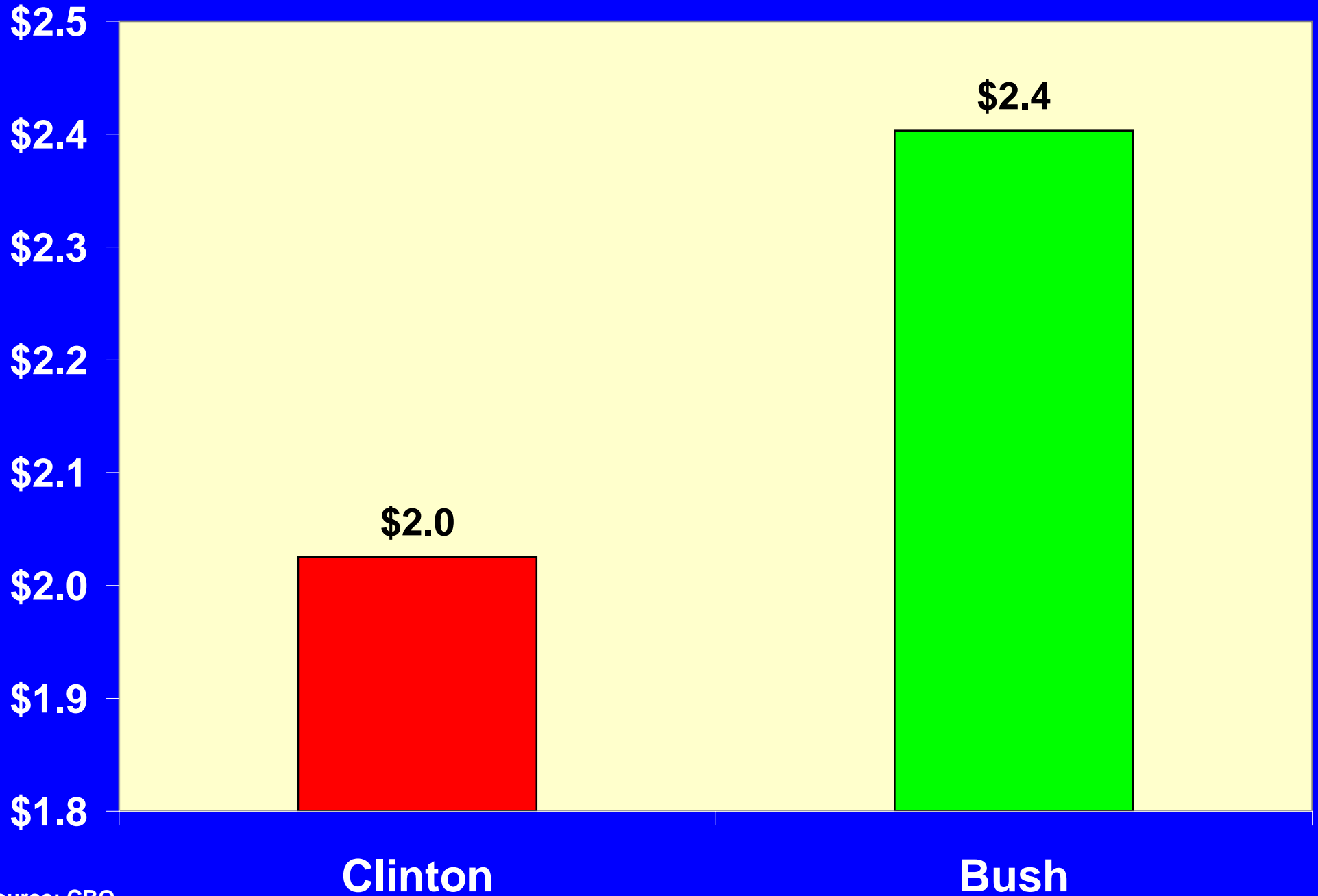
(Still below spending levels)



# Two Consecutive Record Revenue Increases

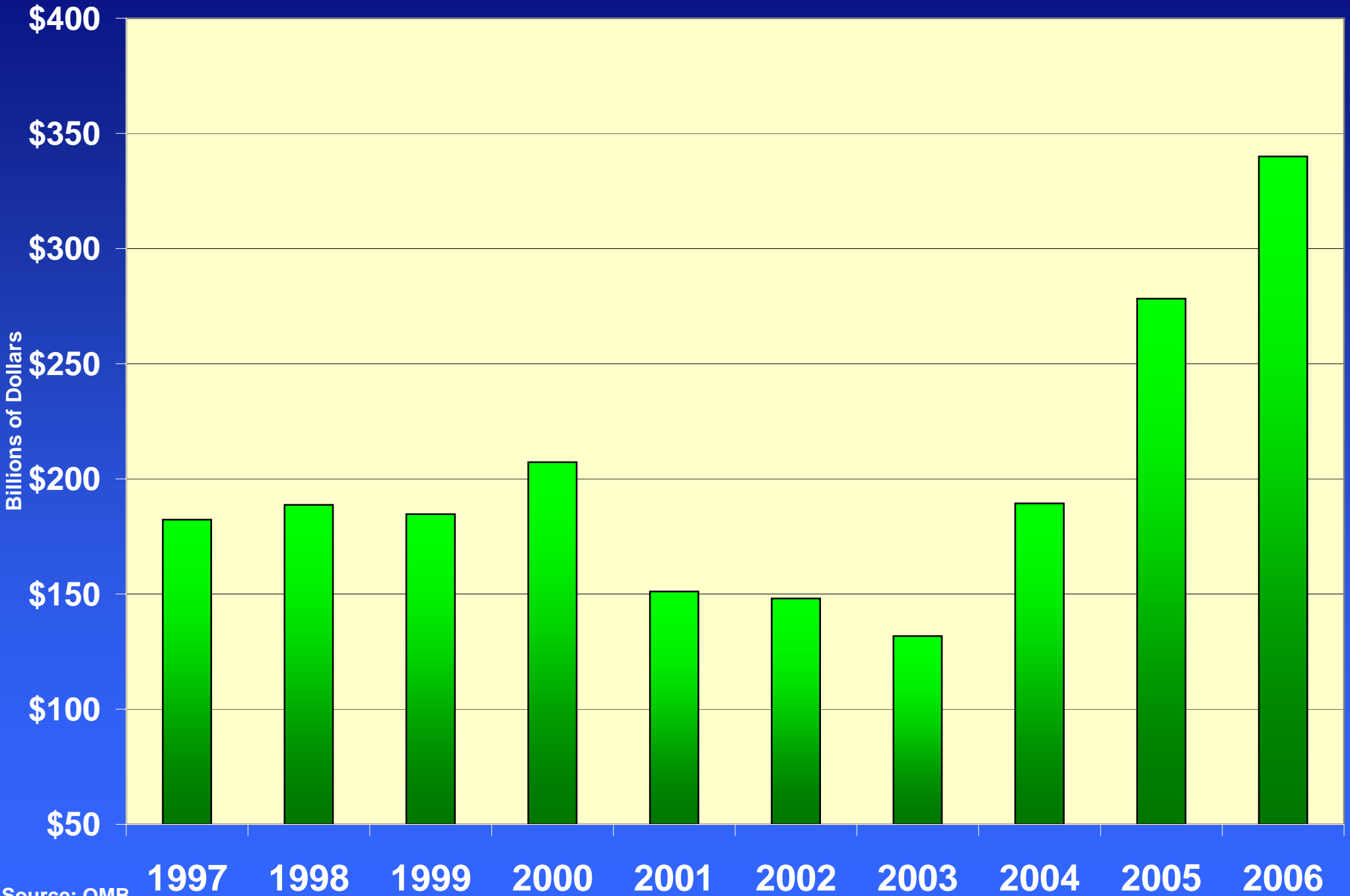


# Nearly 20% More Revenue Collected Now Than in 2000



Source: CBO

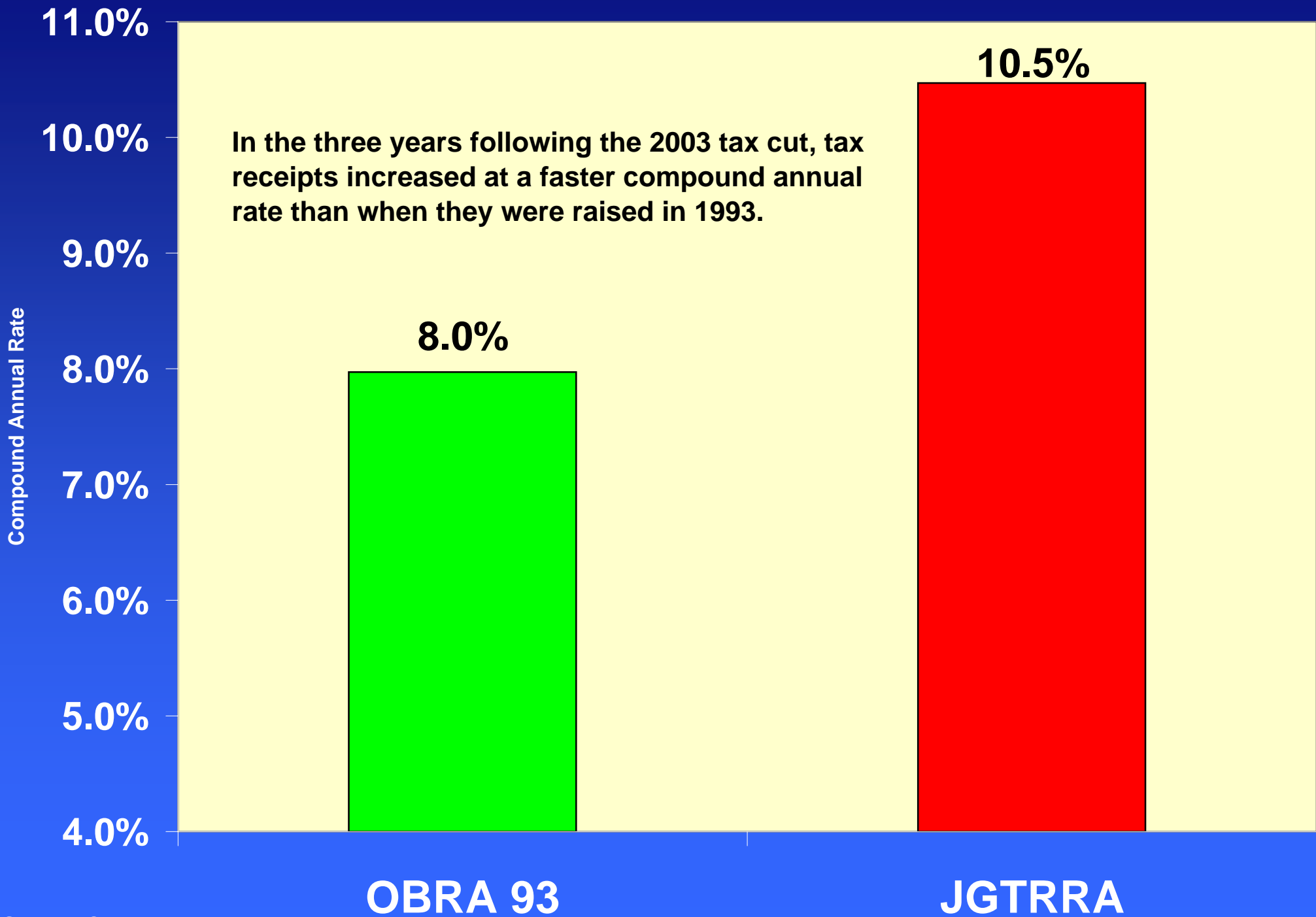
# Corporate Tax Revenue Has Tripled



Source: OMB

Note: data for fiscal year to date

# A Tale of Two Tax Bills





# A Tale of Two Tax Bills

10.5%

10.0%

9.5%

9.0%

8.5%

8.0%

In the three years following the 2003 tax cut, individual income tax receipts increased at a faster compound annual rate than when they were raised in 1993.

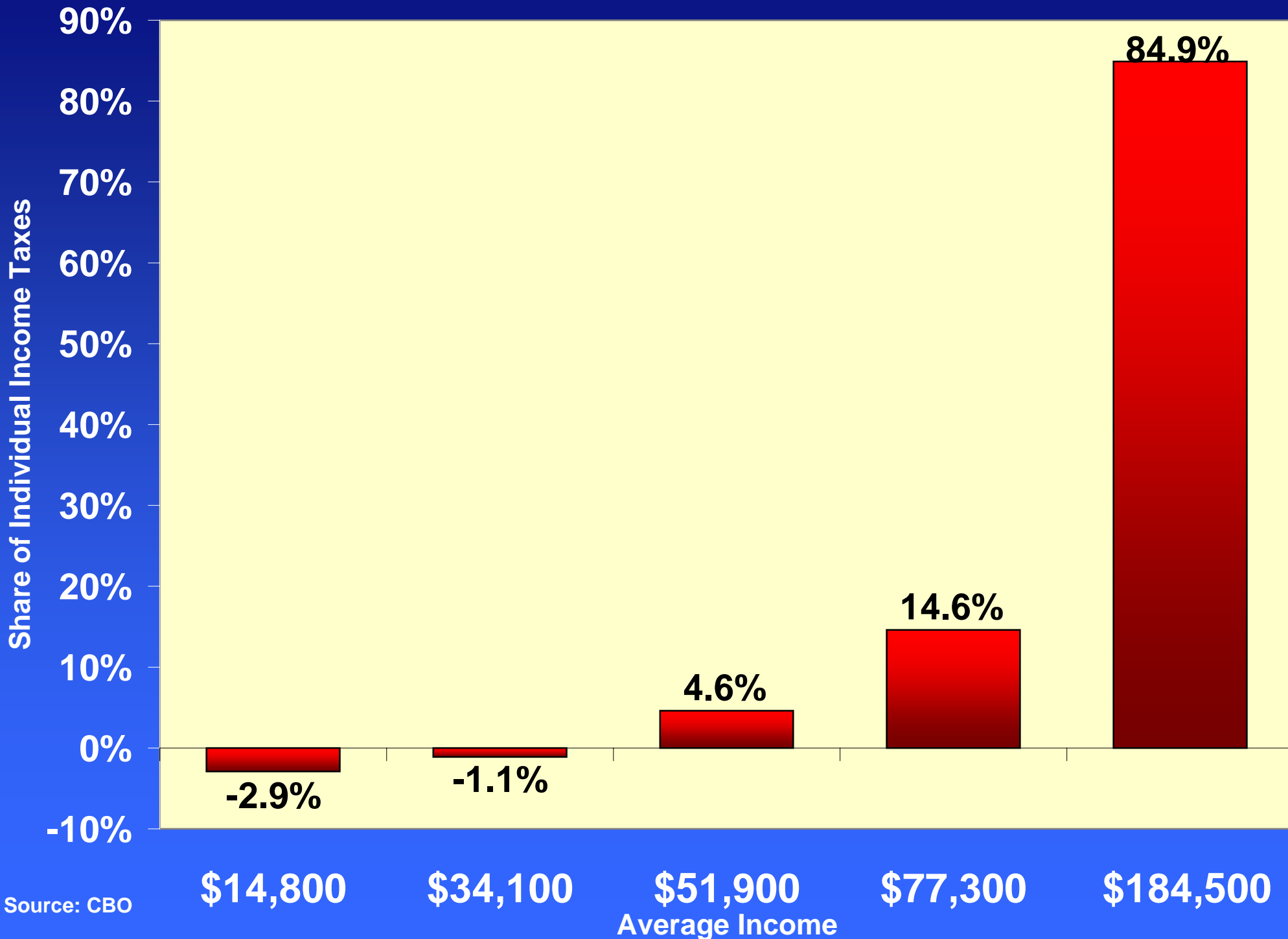
10.1%

8.8%

OBRA 93

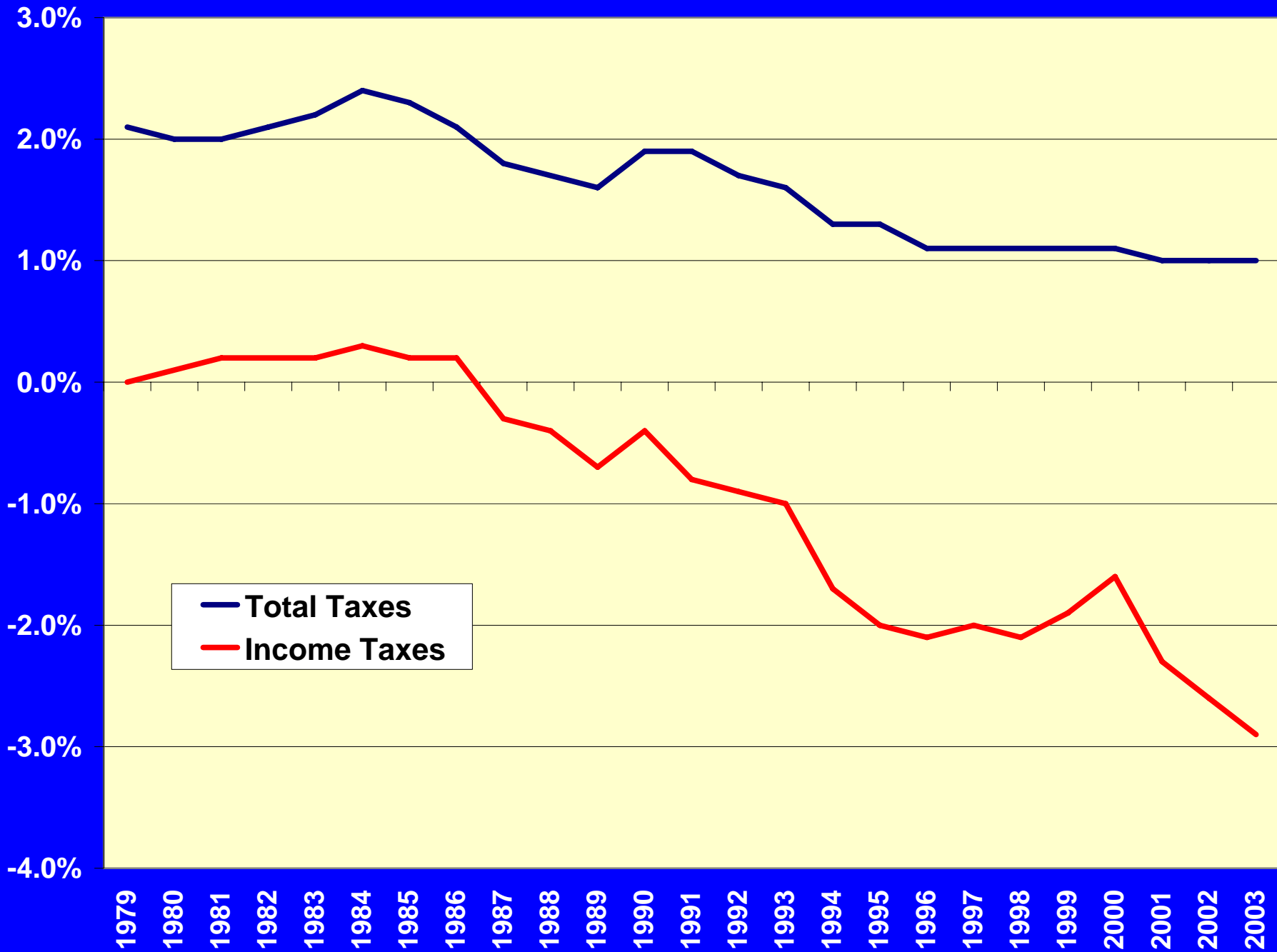
JGTRRA

# Who Pays Individual Income Taxes?



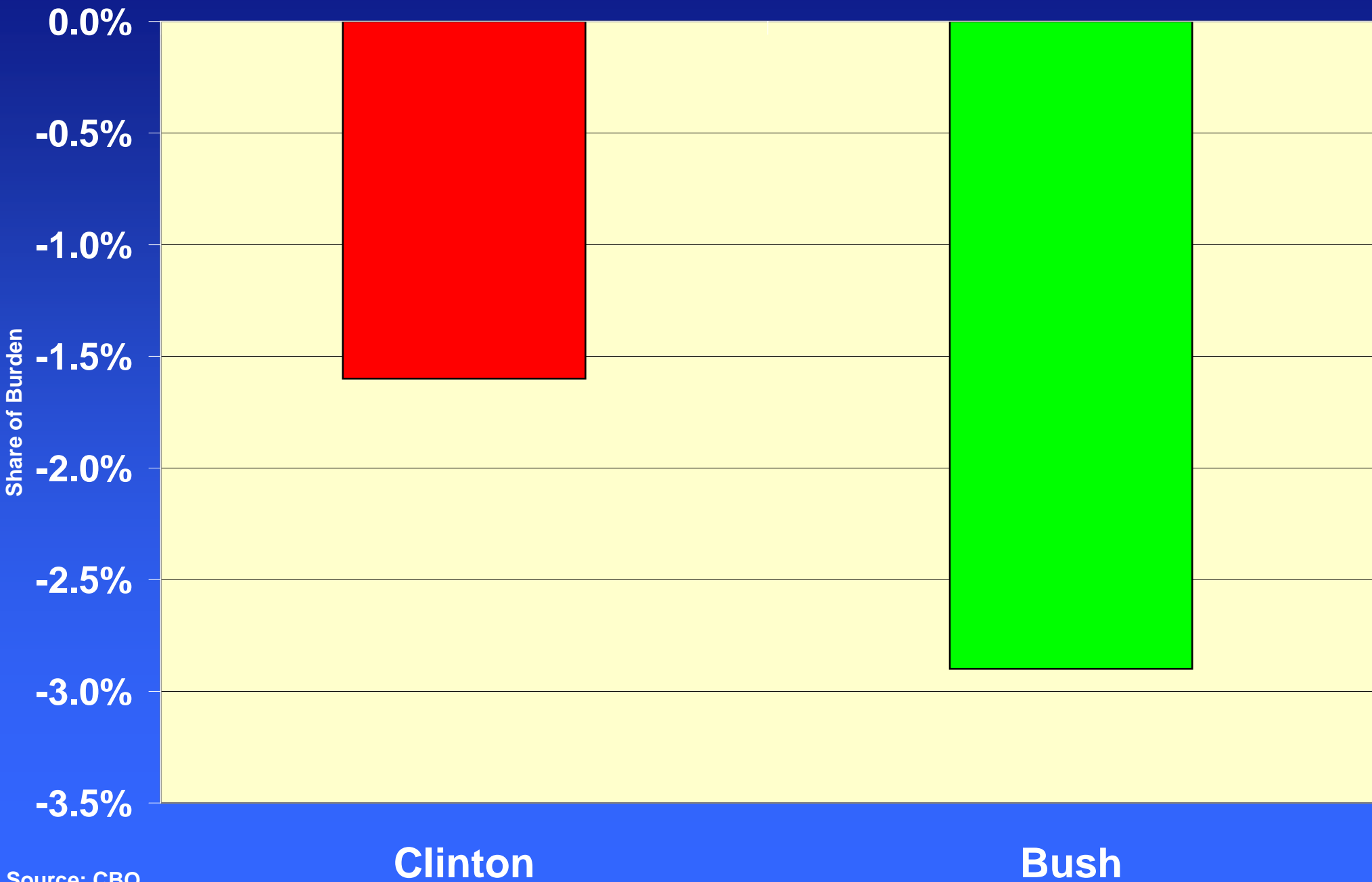
Source: CBO

# Low Income People Pay Virtually No Taxes



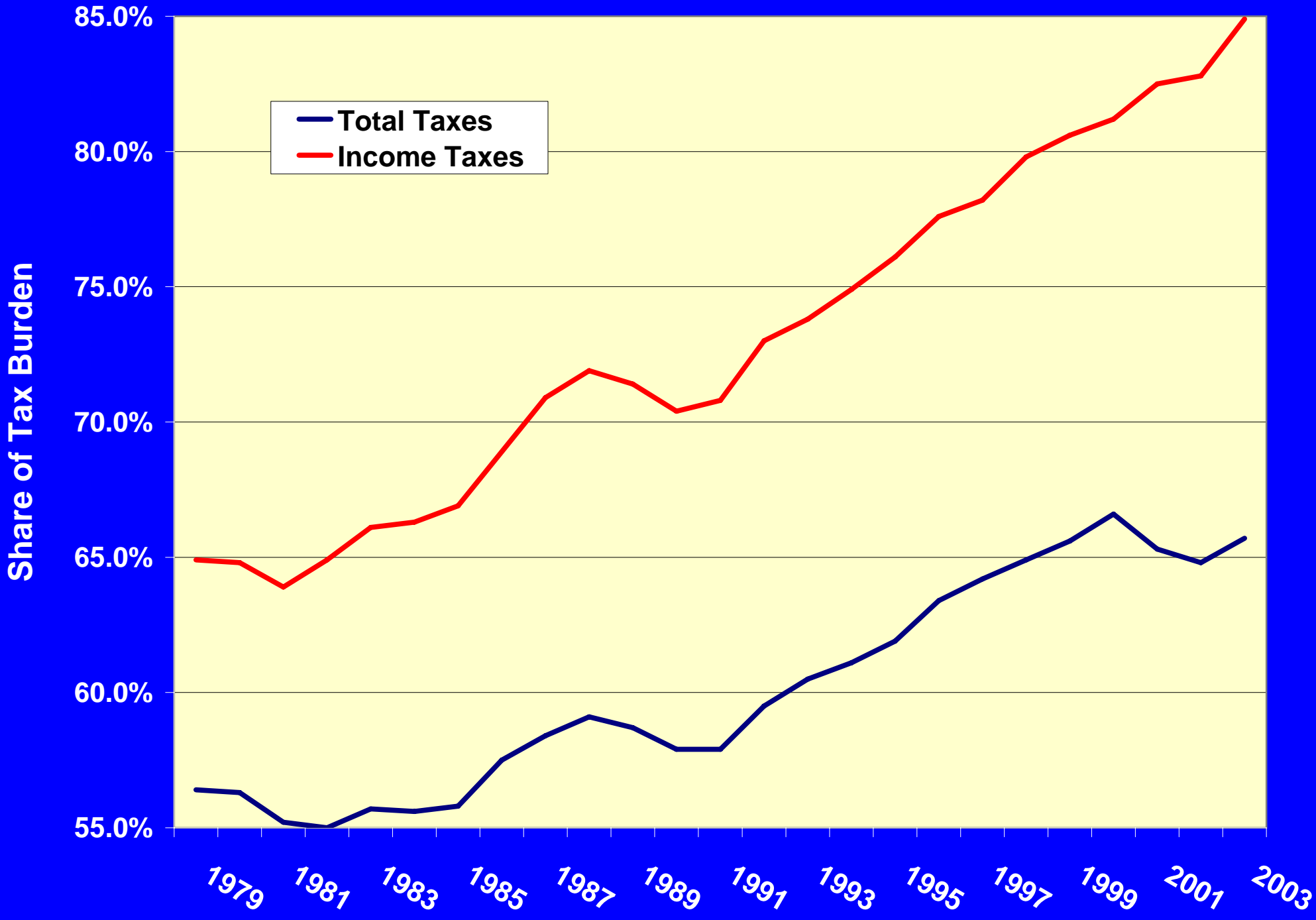
Source: CBO

# POOR RECEIVE MONEY THROUGH INDIVIDUAL INCOME TAX SYSTEM



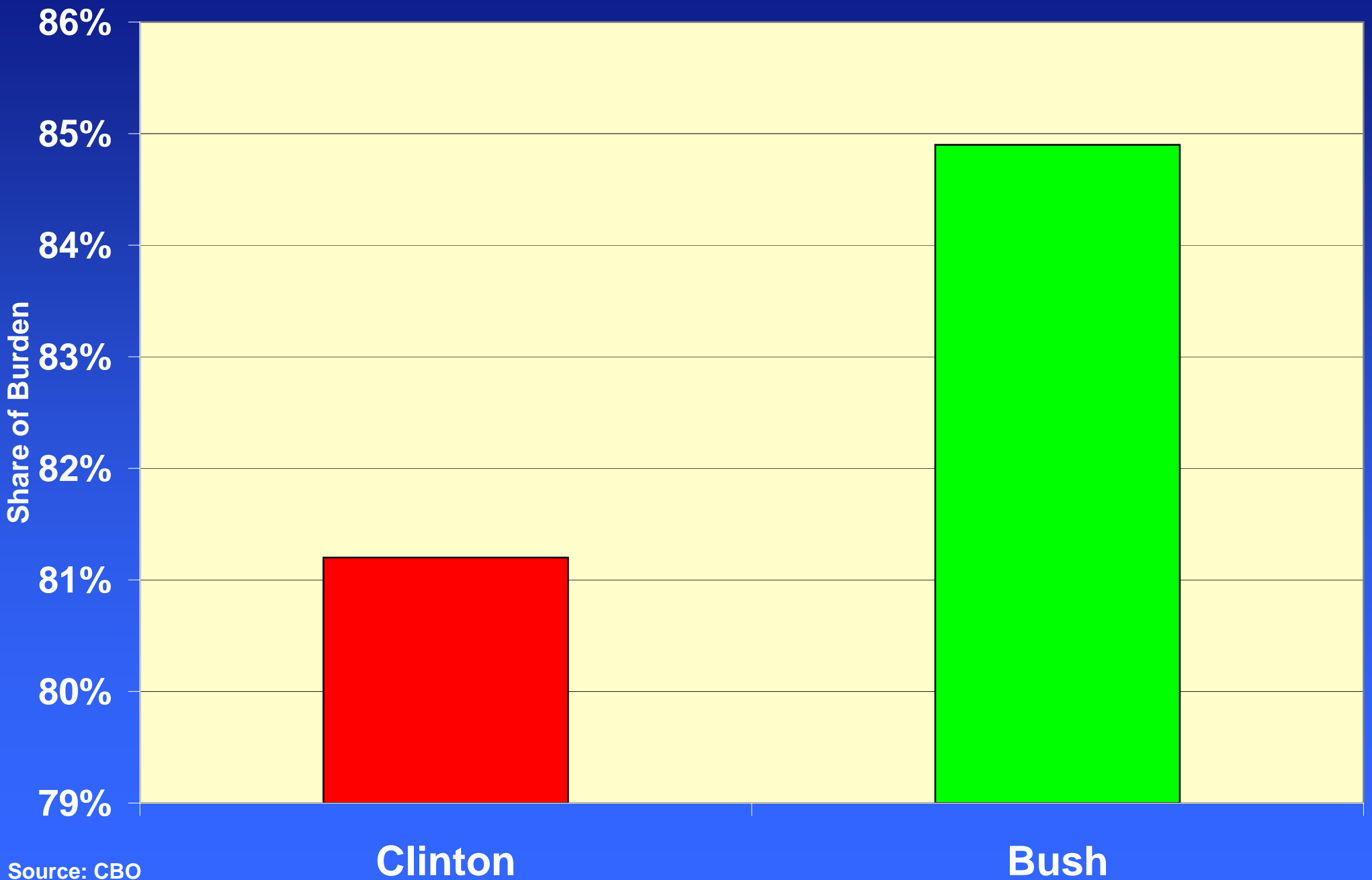
Source: CBO

# High Income People Pay Most of Our Taxes



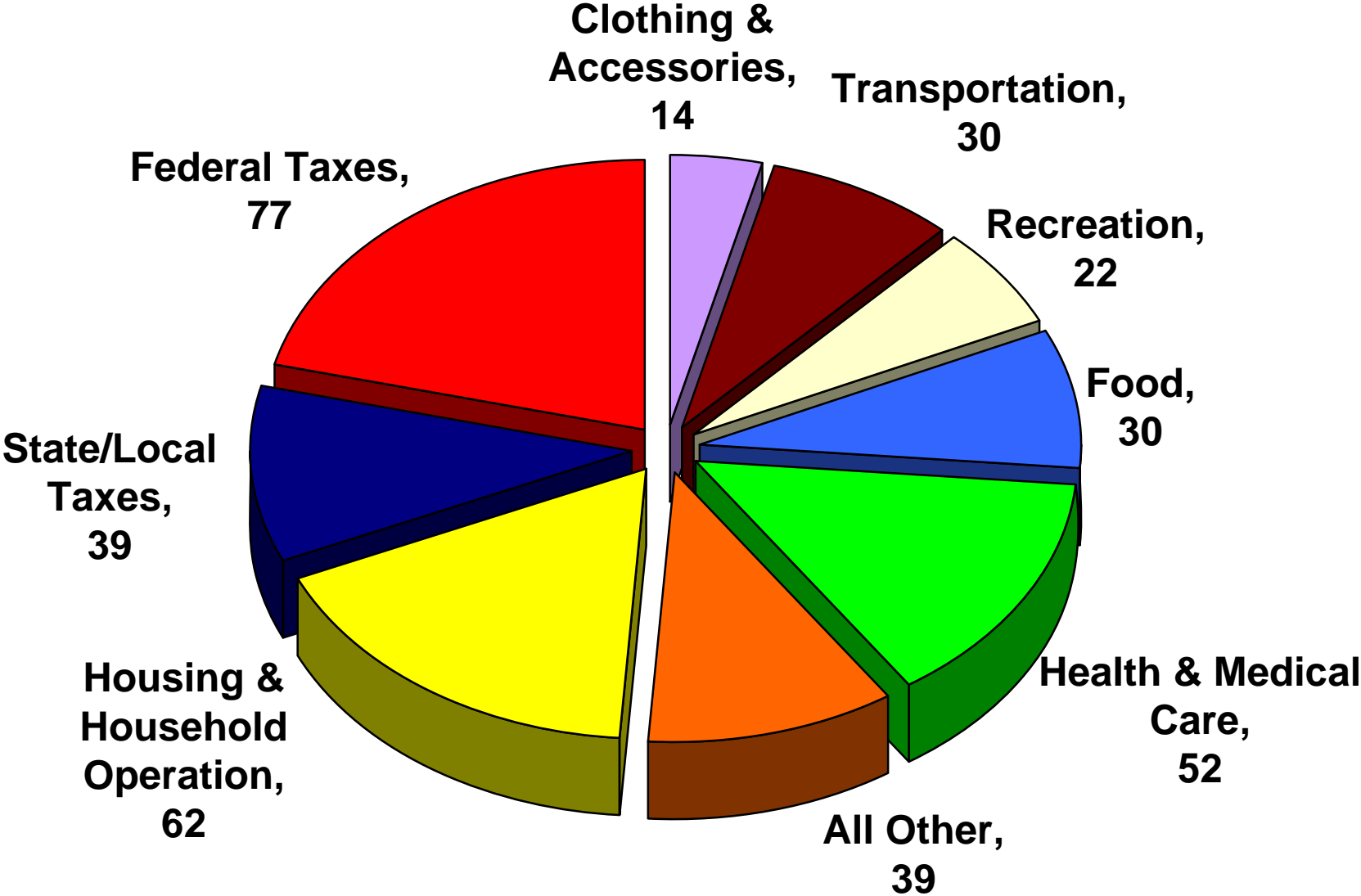
Source: CBO

# HIGH INCOME TAX PAYERS BEAR A GREATER BURDEN UNDER BUSH



Source: CBO

# How Many Days Per Year America Works to Pay Taxes Compared to Other Major Spending Categories, 2006



Source: Tax Foundation