



CONGRESSMAN JIM SENSENBRENNER NEWS FROM CONGRESS

NUMBER 155 -- JUNE 2001

The Tax Relief Package – What's in it for you?

The Economic Growth and Tax Relief Reconciliation Act of 2001, H.R. 1836, was signed into law by the President on Thursday, June 7, 2001.

This tax package includes the largest tax cut approved by Congress in twenty years. Congress responded to President Bush's call for dramatic tax relief with a package centered on across-the-board tax rate reductions. Some of the tax cuts agreed to in H.R. 1836 are retroactive to the beginning of this year and, therefore, allow the Treasury Department to send millions of refund checks to taxpayers. Based on information from last year's tax returns that were filed by April 15, 2001, a U.S. Treasury check will be sent to taxpayers between late July and October. This represents the excess taxes collected by the government being returned to the people who worked hard to help create the surplus. Depending on one's tax status, taxpayers who paid federal income tax last year could receive checks of up to \$600.

This legislation addresses a number of the key tax problems that I have been working to eliminate. In addition to the tax rebate, H.R. 1836 will gradually lower income tax rates for everyone. The bill also reduces taxes on married couples. The tax relief package doubles the standard deduction for married couples filing joint returns so they pay the same as if they were two single people. It also expands the fifteen percent bracket for many couples filing jointly. Another initiative to benefit working families struggling to make ends meet is the expansion of the child tax credit. Currently capped at \$500 per child, it will increase to \$600 this year and go up gradually until doubling to \$1,000 in 2010.

H.R. 1836 also addresses the onerous, small business destroying, death tax. By confiscating up to 55% of an individual's lifetime accumulation, the death tax forces many families to start over because they are forced to sell their business, farm, or other family assets in order to meet their obligations to the federal government. Oftentimes, when a business must be sold in order to pay the death tax, it is that

Continued on page 3...

The Truth Behind Dairy Compacts

America's dairy industry operates under a perverse system that was created in the 1930s. Back then, due to limitations in transportation and a lack of refrigeration technology, it was difficult to transport fresh milk throughout the nation. In an effort to encourage local milk production in each region of the country, the federal government set the prices for milk processors by paying farmers more for their milk the farther away they were from Eau Claire, Wisconsin. Consequently, milk prices were drastically different from region to region, with dairy farmers from the least efficient regions receiving the highest payments for their milk.

Today, however, with improvements in refrigeration and trucking, these regulations are unnecessary. In fact, they are unfair to dairy farmers from those parts of the country—like the Midwest—which are most suited to dairy farming. Nonetheless, farmers in other parts of the country have successfully defended this system and attempts to reform it. In 1996, with the help of Senator Patrick Leahy from Vermont, Congress allowed states in the Northeast to raise their milk prices even higher than the federal milk formula already allowed. During last minute negotiations, with no debate, Senator Leahy was able to slip language in a conference report that led to the creation of the Northeast Interstate Dairy Compact.

Continued on page 2...



REMINDER...
**OFFICE HOURS &
TOWN HALL MEETINGS**
...SEE PAGE 3

...Continued from page 1

The Truth Behind Dairy Compacts

Dairy compacts create regional cartels that artificially increase the price of milk for producers in the compact region, essentially imposing a “milk tax” on consumers. In other words, the Northeast Interstate Dairy Compact allows the six New England states—Connecticut, Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island—to set milk prices in those states at a level which makes it virtually impossible for dairy farmers outside that region to sell their milk in the Northeast. This artificially created cost drives down consumption, and sparks excess production in compact regions. The surplus floods the markets in regions such as Wisconsin, consequently driving down prices paid to our farmers.

Through various maneuvers, proponents of the Dairy Compact have managed to keep it alive and extended congressional consent through September 30, 2001. No stand-alone Compact bill has ever passed the House or the Senate!

Earlier this year, a bill, H.R. 1827, was introduced to not only extend the Northeast Dairy Compact beyond September 30, but also to create a Southern Dairy Compact, a Pacific Northwest Dairy Compact, and an Intermountain Dairy Compact. Compact proponents argue that the principle of states’ rights supports their position. **They could not be more wrong!** States have rights—and I have strongly defended them in Congress—but declaring economic warfare on other states is not one of them. Our Founding Fathers clearly chose to have one unified national market free from domestic trade barriers.

H.R. 1827 has to go through the House Judiciary Committee. As Chairman of that Committee, I decide what the Committee agenda will be, and H.R. 1827 is not on my agenda. While it may not be possible to prevent compact language from being inserted in other bills, I, along with my colleagues from Wisconsin and other Midwest states, will be working hard to protect consumers by preventing the extension of the Dairy Compact.

It is also encouraging to note that the new Administration has spoken out in opposition to the Dairy Compact. Hopefully, this will be the last year that the Northeast Interstate Dairy Compact remains in operation.



Legislative Status Report

S.J. Res. 6, the Ergonomics Regulations resolution. Expresses congressional disapproval of the ergonomics rules submitted by the Department of Labor. Became Public Law (P.L.) 107-5 on March 20, 2001.

H.Con.Res. 83, the Budget Resolution for Fiscal Year (FY) 2002 Appropriations bill. Sets the congressional budget for the federal government for FY 2002, including the budgetary levels for FY 2003 through 2011. Conference report passed the House on May 9, 2001, and the Senate on May 10, 2001.

H.R. 256*, the Farmer Bankruptcy Bill. Amends the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999 to extend family farmer bankruptcy relief until June 1, 2001. Became P.L. 107-8 on May 11, 2001. On June 6, the House passed **H.R. 1914** to further extend this deadline until October 1, 2001. The Senate passed it on June 8.

H.R. 333*, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. Implements an income/expense screening mechanism to assess a debtor’s repayment ability. This bill also provides significant reforms in consumer protection, including requirements for credit counseling and disclosures in connection with certain credit transactions. Passed the House on March 1, 2001.

H.R. 503*, the Unborn Victims of Violence Act of 2001. Enhances federal penalties for violence against pregnant women. Specifically, when a person commits a federal crime of violence against a pregnant woman, and thereby injures or kills the victim’s unborn child, the perpetrator is guilty of the same offense that would have resulted had the same injury or death occurred to the unborn child’s mother. Passed the House on April 26, 2001.

H.R. 1836, the Economic Growth and Tax Relief Reconciliation Act of 2001. Legislation that cuts taxes by \$1.35 trillion from this year through FY 2011—this is the largest and most significant tax relief package to be enacted into law in twenty years. Signed into law by the President on Thursday, June 7, 2001.

***Bills reported by the House Judiciary Committee.**

Please note: If you would like detailed information on any of the bills listed here, you can access my website at <http://www.house.gov/sensenbrenner>, and click on the “Thomas Legislative Information” link.

...continued from page 1

The Tax Relief Package - What's in it for you?

business's employees who are most harmed by the negative impacts of the estate tax. H.R. 1836 gradually increases the estate tax exemption amount until the estate tax is completely repealed in 2010.

This legislation provides tax relief to Americans and helps them save for retirement by making it easier for small businesses to offer retirement plans, and by allowing workers to save more. The bill increases the tax benefits for contributing to Individual Retirement Accounts (IRAs), 401(k)s and other retirement accounts. Limits on annual IRA contributions will be phased in over the next six years. The limits will be raised from \$2,000 to \$5,000 and be indexed to inflation. Annual 401(k) contributions will be increased from \$10,500 to \$15,000 by 2006.

In addition to helping people save for retirement, the tax bill helps families save money for their children's education. This legislation increases the annual limit on contributions to education IRAs from \$500 to \$2,000 in Fiscal Year 2002. This money can be used not only for college, but also for private and public elementary and secondary schooling. Parents can use Education IRAs for tutoring and books in addition to tuition. The tax bill also creates a tuition deduction of up to \$4,000, extends a tax break for workers who receive employer assistance for undergraduate and graduate courses, and repeals the five-year limitation for graduates to deduct student-loan interest, giving graduates more time to repay their loans.

Tax relief has been a hallmark of Congress' agenda in Washington. Republicans have worked tirelessly to get money out of Washington and into local communities. We have now been successful in putting more money back in your pocketbooks and wallets – and saving you money in the future.

Specifically, according to a study by the Heritage Foundation, **the four main provisions alone** of H.R. 1836 (rate reductions, estate tax, child credit, and marriage tax) would provide approximately \$24.8 billion in tax relief to Wisconsin from 2001 to 2011. In other words, this new tax relief law is real money that will help every taxpayer in every city and every town across the country!

Please note, this article is provided for informational purposes only. Specific implications of this legislation on your personal tax situation should be discussed with a qualified tax advisor.

TOWN HALL MEETINGS

Sun., July 1

7:00 p.m. Delafield City Hall

Sun., July 15

7:00 p.m. Menomonee Falls Village Hall

Mon., July 2

7:00 p.m. Horicon City Hall

Sun., July 22

7:00 p.m. Grafton Village Hall

Thurs., July 5

7:00 p.m. Richfield Town Hall

Sun., July 29

7:00 p.m. Pewaukee City Hall

Town Hall Meetings and Office Hours provide me the chance to hear your views on the issues before Congress or to help you with problems you may be experiencing in dealing with a federal agency. I look forward to seeing you at the next meeting nearest your home. Please contact my district office if you require special accommodations to attend.

OFFICE HOURS

Monday, July 2

8:00 a.m. Neshotah Village Hall

8:45 a.m. Merton Village Hall

9:30 a.m. Pewaukee Village Hall

10:15 a.m. Sussex Village Hall

11:00 a.m. Butler Village Hall

12:30 p.m. Lannon Village Hall

1:30 p.m. Slinger Village Hall

2:15 p.m. Jackson Village Hall

3:15 p.m. Newburg Village Hall

Tuesday, July 3

8:30 a.m. Johnson Creek Village Hall

9:15 a.m. Helenville Firehall

10:00 a.m. Sullivan Village Hall

11:00 a.m. Wales Village Hall

Thursday, July 5

12:30 p.m. Genesee Town Hall

1:15 p.m. North Prairie Village Hall

2:00 p.m. Eagle Village Hall

2:45 p.m. Palmyra Village Hall

3:45 p.m. Dousman Village Hall

Friday, July 6

8:30 a.m. Ixonia Town Hall

9:15 a.m. Lebanon Town Hall

10:00 a.m. Neosho Village Hall

10:45 a.m. Iron Ridge Village Hall

11:30 a.m. Hustisford Village Hall

1:00 p.m. Clyman Village Hall

1:45 p.m. Lowell Village Hall

2:30 p.m. Reeseville Village Hall

3:15 p.m. Waterloo City Hall

FLAGS FLOWN OVER THE US CAPITOL

A new United States flag with a personally signed certificate marking the day it flew over the U.S. Capitol is available at cost (including postage) from my Washington office. If you would like to order, please make your check or money order payable to "**SENSENBRENNER OFFICE SUPPLY ACCOUNT**" and send it along with this order form to the address below. Please allow 4 to 8 weeks for processing and delivery of your order. Limit 3 per household.

NAME _____
 ADDRESS _____
 CITY/STATE/ZIP _____

Number	Size	Price	Total
	3' x 5' nylon	\$17.40	\$
	4' x 6' nylon	\$22.53	\$
	5' x 8' nylon	\$29.66	\$
Grand Total			\$

Send order to:

SENSENBRENNER OFFICE SUPPLY ACCOUNT
 2332 Rayburn House Office Building
 Washington, DC 20515-4909

These prices are guaranteed only through July 15, 2001. After that date, prices are subject to change. Please consult my homepage at <http://www.house.gov/sensenbrenner> for the latest prices.

CUT ALONG THE DOTTED LINE, PLACE IN ENVELOPE, AND MAIL



*To write about issues
 or request publications,
 contact me at:*

2332 Rayburn Building
Washington, DC 20515
(202) 225-5101

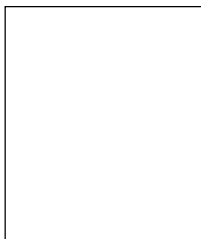
*To get help with
 federal agencies,
 contact me at:*

120 Bishops Way, #154
Brookfield, WI 53005
(262) 784-1111

Outside Metro Calling Area: 1-800-242-1119
E-Mail: sensen09@mail.house.gov
<http://www.house.gov/sensenbrenner/>

**Please inform me if you are receiving
 misdelivered or duplicate copies.*

Congressman
JIM
SENSENBRENNER



Congress of the United States
 House of Representatives
 Washington, DC 20515-4909

Official Business

M.C.
 Presorted Standard



NEWS FROM
CONGRESS