



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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HOUSE-SENATE AGREEMENT PROVIDES TAX INCENTIVES FOR ECONOMIC GROWTH -- Minority Tax Increase Supporters Oppose Tax Relief Package --

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WASHINGTON, D.C. – The new tax package agreed upon by the leadership of the House and Senate will boost economic and job growth, Joint Economic Committee (JEC) Vice Chairman Jim Saxton said today. Many of the ideas in the new tax package were analyzed in a JEC study Saxton released earlier this month. Saxton also rejected criticism of the tax package today by Minority Leader Nancy Pelosi, who recently unveiled the Minority proposal for a **tax increase**.

“As I have noted before, a major weakness in the current economic expansion is the lack of business investment,” Saxton said. “Until there is a recovery in business investment, healthy economic and employment growth is unlikely to resume. The new tax package considered in the conference committee today addresses this investment shortfall in several ways. In general, it will reduce the tax burden on the economy and raise economic incentives to work, save, and invest, thereby increasing the flow of resources available for economic growth.

“Acceleration of individual marginal tax rate reductions, increases in bonus depreciation and small business expensing, and reductions in capital gains and dividend tax rates will lower the cost of capital and boost investment, economic growth, employment, and living standards. Individual investors will also have a better opportunity to rebuild their nest eggs battered by the bursting of the stock market bubble in 2000.

“Under this new tax package taxpayers will keep, after taxes, more of their additional earnings from work, saving and investment. The excessive burden of taxation on taxpayers and the struggling economy will be reduced.

“Unfortunately, Minority Leader Pelosi today attacked this proposal for economic and job growth. However, the Minority plan she released with great fanfare several weeks ago actually is a **tax increase**, and thus is not an acceptable or viable alternative to the tax relief proposal. Tax increases are not the way to sustain long-term economic growth,” Saxton concluded.

For more information on taxation, please visit our website at www.house.gov/jec

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