



Grover G. Norquist

President

March 23, 2004

Dear Representative:

On behalf of Americans for Tax Reform (ATR), I am writing to express ATR's strong support for Rep. Jeb Hensarling's proposed fiscal year 2005 budget. The bold proposal put forth by Rep. Hensarling is critical for taxpayers from both the spending and the tax side of the budget equation. Furthermore, this proposal is critical to building a strong foundation for future economic growth and job creation in America.

On the spending side, the proposed budget reduces non-defense, non-homeland discretionary spending by 1 percent from last year's enacted level. At the same time the proposal reduces the rate of growth of non Social Security mandatory spending by 1 percent. As a result of reducing the growth of mandatory spending and cutting discretionary spending, the deficit (which is the result of overspending) will be cut in half in three years.

From the tax side, the proposal calls for \$182 billion of tax cuts over five years. This window provides more than enough room to extend the existing tax cuts as well as to provide additional tax cuts such as Lifetime and Retirement Savings Accounts, a top priority for ATR in 2004

Finally, this proposal provides real teeth to enforce the budget. As you know, existing rules have been easily bypassed in recent years. The Hensarling proposal changes that by requiring a separate vote to waive a point of order for spending above the Budget Resolution, prohibits the use of tax increases to offset new spending, includes a definition of spending enforceable by a point of order, and requires the Senate and the House to begin with the same allocation among the appropriation subcommittees.

I salute Rep. Hensarling for putting forth a bold proposal that seeks to restrain runaway government spending, cut taxes on working families, and enhance economic prosperity in America.

On behalf of Americans for Tax Reform, I urge you to vote yes for Rep. Jeb Hensarling's proposed fiscal year 2005 budget.

Sincerely,

Grover Norquist