

Statement of Rep. Carolyn B. Maloney (D-NY)  
Committee on Rules  
September 16, 2003

Mr. Speaker I rise today in opposition to this closed rule, a rule that does not allow a straight up or down vote on an amendment that I offered that would have finally made all grants given to victims from 9/11 tax free. It is beyond me as to why the Majority continues to block efforts to correct this injustice and why they thereby continue to unfairly tax victims of 9/11.

This is not the first action that I and others have taken to right this wrong. Actually, it is the latest in a series of actions. I, along with others in the NY Delegation have written IRS and the Secretary of Treasury, we have written the President, Speaker Hastert and the leadership of the other body, I have introduced bipartisan legislation, the Ways and Means Committee is aware of the problem, the Congressional Research Service has done a memo, I went in front of the Rules Committee before seeking to add it on as an amendment to HR 1308, the Increased Child Tax Credit Bill, Congressman Nadler and myself tried to add it as an amendment to the Transportation - Treasury Bill last week and last night I again went in front of the Rules Committee asking just a straight up or down vote on this issue and before I did that I made sure with the Parliamentarian that it was germane.

The end result continues to remain that victims of 9/11 are still being taxed.

To me this is a simple issue, if the Majority thinks that federal aid that we gave to victims of 9/11 should be taxed, than continue to block these efforts. If you think it is unfair to take hundreds of millions of dollars in aid in tax dollars that we had given them, than let's have an up or down vote on this issue.

I am confident that it was never this Congress's intent to tax this aid. It is time that we show the victims of 9/11 this. Congress has the ultimate authority on tax issues. It is up to us to change this and I am not going to stop in my efforts until it is changed. I will offer an amendment every opportunity I have.

The tax bills on the federal aid we gave them are not going away nor am I until someone could tell me how we plan to fix this and more importantly when we plan on fixing this. We showed the country after 9/11 how quickly this body can act when an issue is important to us, why now are we dragging our feet and blocking this measure at every step?

It is just unfair for these cash-strapped businesses and individuals to take another financial hit from these disasters. A financial hit that the Joint Committee on Taxation estimates to be \$268 million dollars. The IRS is taking back \$268 million in federal aid that the President pledged to New York and Congress appropriated.

We should be sending aid to victims and not taking it away.

This IRS decision has also had a ripple affect on other federal benefits that survivors of 9/11 may receive. Since many agency rely on the IRS's definition of gross income, some recipient's

eligibility for programs like medicare, medicaid and social security may be in jeopardy.

This amendment would have clarifies that the grants should be exempt from federal tax and should not be considered as gross income. It is germane. It should not be controversial. However, the Majority has decided to block even a straight up or down vote with their restrictive closed rule.

I will continue to fight for these victims of 9/11 and they still await for the Congress to remedy this injustice.