



## MEDIA RELEASE

For Immediate Release  
November 8, 2007

Contact: Stacey Farnen Bernards  
202-225-3130

### **Hoyer: Democrats Committed to Protecting 23 Million Families from AMT in Fiscally Responsible Manner**

**WASHINGTON, DC – House Majority Leader Steny Hoyer spoke at press conference today with leading House Democrats to discuss H.R. 3996, which will prevent the AMT from hitting unsuspecting families next year and expand critical tax breaks for middle-class Americans, while closing an unfair loophole that allows a privileged few to avoid paying their fair share of taxes:**

“Tomorrow, the House of Representatives will consider – and pass – legislation to defuse the dreaded alternative minimum tax for 2007.

“Chairman Rangel will discuss some of the specifics of this legislation, but the bottom line is this:

“House Democrats are committed to protecting 23 million middle-class families from being forced to pay the alternative minimum tax – a tax that epitomizes what is wrong with our federal income tax code.

“The AMT is outdated and unfair. When it went on the books in 1969, it was intended to ensure that wealthy taxpayers paid their fair share. But today – because it was never indexed for inflation – it threatens to ensnare millions of middle-income families.

“And, the AMT is complicated and confounding. It actually requires taxpayers to compute their taxes not once, but twice, and then forces them to pay the higher amount.

“Chairman Rangel’s bill will prevent the AMT from unfairly reaching into the pockets of middle-income families, while also extending tax credits and deductions that will benefit a wide array of Americans and the American economy.

“Furthermore, this legislation restores tax fairness and demonstrates – yet again – that this Democratic Majority is committed to fiscal responsibility.

“How do we restore fairness? By closing loopholes and preventing some from escaping income taxes by using offshore tax havens.

(cntd)

“Now, I realize that Republicans are complaining that Democrats have the audacity to close tax loopholes and to insist on fiscal responsibility.

“Predictably, they claim that closing tax loopholes constitutes a tax increase. I reject their premise. All we are doing is insisting that people pay their fair share.

“Finally, the real prize for audacity must go to our Republican friends.

“How can they possibly claim – with a straight face – that they are for fiscal responsibility, while demanding that we NOT pay for this AMT patch, and instead force our children to pay for it.

“As The Washington Post said this morning in an editorial: ‘Perhaps [Republican Leader] Boehner believes that the Tax Fairy will simply leave \$50 billion under the IRS’s pillow [to pay for this patch].’

“And, then the Post asks this: ‘If Mr. Boehner doesn’t like the way Democrats propose to finance the patch, what would he cut instead?’

“The truth is, we are making the hard decisions Republicans refused to make.

“The truth is, this is a very good bill. It’s fair. It’s fiscally responsible. And, it deserves bipartisan support.”

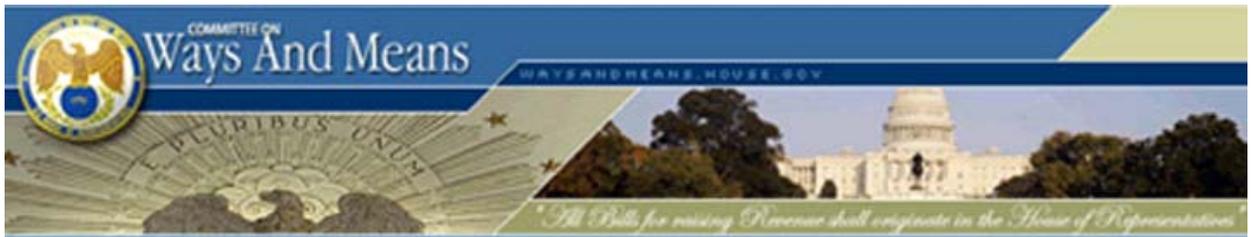
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# **STATEMENT OF CAUCUS CHAIRMAN RAHM EMANUEL**

**NOVEMBER 8, 2007**

“This legislation represents a New Direction in tax policy and it provides what we need: a fiscally responsible middle-class tax cut. Republicans are content to buy now and have our children and grandchildren pay later. That isn't the way Democrats do things. Our bill is paid for, won't increase our debt by one penny, and it brings fairness back to the tax code. Finally, this bill leaves us all with a clear choice: the Clinton economy vs. the Bush economy. We can be fiscally responsible and protect the middle class as we did in the 1990s. Or we can run up our debts and continue to take care of the privileged few as we have under Republican rule. I know which side I want to be on.”

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*The Honorable Charles B. Rangel, Chairman*

FOR IMMEDIATE RELEASE

Contact: Matthew Beck or J. Jioni Palmer (202) 225-8933

November 8, 2007

## Congress Must Pass Responsible Tax Relief for Middle Class Families

*Bill would keep AMT from hitting 23 million families, extend expiring provisions*

WASHINGTON – Ways and Means Committee Chairman Charles B. Rangel (D-NY) joined members of the House Democratic Leadership at a press conference today to discuss pending legislation to provide immediate, responsible tax relief for middle-class families. H.R. 3996, the *Temporary Tax Relief Act of 2007* would prevent more than 23 million families from a tax increase under the alternative minimum tax (AMT) while also extending popular tax credits and deductions that expire at the end of the year. This tax relief is fully offset by closing loopholes and eliminating narrowly targeted tax benefits enjoyed by a privileged few. H.R. 3996 is expected to be considered by the full House tomorrow.

**“This legislation is the responsible, fair and equitable way to provide millions of working families with tax relief from the AMT and extend expiring provisions. I am simply astounded by the arguments from Congressional Republicans that we can continue to spend billions upon billions of dollars financed by reckless borrowing. It’s like they’re living in an Alice-in-Wonderland storyline where America’s \$9 trillion debt and record deficits don’t matter. But deficits and debt do matter because every dollar we borrow places a “debt tax” on future generations who will have to pay for the decisions we make today.**

**“This responsible tax relief package puts money back in the pockets of millions of middle-class families and protects future generations from tax increases by not adding to our national debt.”**

Senate Republicans have indicated that temporary AMT relief should not be offset, thereby adding to the Federal deficit. They have threatened to

filibuster a revenue-neutral tax package, preventing this must-pass bill from reaching the President's desk for signature.

H.R. 3996 would provide:

- AMT relief for 23 million Americans
- Property tax relief for 30 million
- Help for more than 12 million children through an expanded child tax credit
- Tax relief for more than 11 million families through State and local sales tax deduction
- Help more than 4.5 million families cover the cost of education through the tuition deduction
- And relief for more than 3.5 million teachers who would be reimbursed for out-of-pocket expenses for their classrooms.

H.R. 3996 contains provisions to change the tax treatment of “carried interest” for investment fund managers. Under the Committee-passed legislation, they will no longer receive a lower capital gains rate of 15% for what is essentially a management fee or payment for services. Partners and managers would continue to receive a lower rate of taxation on returns derived from money they have personally invested.

The Committee began looking at this issue in the context of fairness and equity in the tax code and found no evidence to conclude that these partners or fund managers should receive preferential treatment for the same services provided by other corporate professionals doing the same jobs. The provision changing the tax treatment of carried interest has received broad public support, including several editorials in leading national newspapers advocating for the change.

Click here to view a [summary of the legislation](#), including a complete list of expiring provisions that would be extended under Chairman Rangel's bill.

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**CONGRESSMAN RICHARD E. NEAL  
DEMOCRAT FROM MASSACHUSETTS  
COMMITTEE ON WAYS AND MEANS  
CHAIRMAN, SUBCOMMITTEE ON SELECT REVENUE MEASURES**

**NEAL REMARKS AT AMT PRESS CONFERENCE  
WITH HOUSE DEMOCRATS**

CRS has reports that a family of four earning \$66,000 will be hit by the AMT this year if we do not enact this patch. This means 19 million working families, many who have not even heard of the AMT, will be hit by it if Congress doesn't act soon.

Let me introduce to you one of those 19 million.

Michael Day is the President of the Baltimore County Professional Fire Fighters, Local 1311 of the International Association of Fire Fighters.

He is a father of three and represents the rank-and-file firefighters, many of whom have been hit by the AMT or are about to be.

He has been a firefighter in Baltimore County since 1985. Earlier this year, he came before my Subcommittee and told us:

“While I fully believe we all must pay our fair share, especially during times of record deficits and strained budgets, I feel compelled to note that over the past seven years Congress has seen fit to pass \$1.8 trillion dollars in tax cut giveaways to the wealthiest Americans, all while the AMT and its ‘middle class punch’ was ignored and put off year to year.”

He has aptly named this tax a “middle class punch.” And we are honored to have him with us today to share his story and the story of firefighters across the country.

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# Remarks of Michael Day, Firefighter

NOVEMBER 8, 2007

My name is Michael Day and I am a fire fighter and President of the Baltimore County Professional Fire Fighters, Local 1311 of the International Association of Fire Fighters. I am pleased to appear before you today representing the more than 280,000 professional fire fighters and emergency personnel from every state in the nation who comprise the IAFF.

Since 1985, I have served the people of Baltimore County, Maryland as a fire fighter and paramedic. In 2000, I was elected President of Local 1311, which represents the 1,000 professional fire fighters who protect Baltimore County.

More importantly, I am a family man – I am married, have a mortgage, and have 3 boys. I also serve my community through various civic organizations. I believe in giving back to my community.

As a fire fighter who has served his community and his Nation for 22 years and who pays his taxes every year, I am honored and grateful for the opportunity to appear before you today to give you a fire fighter's perspective on what I call the un-American tax, or as you know it, the Alternative Minimum Tax.

Just this past March of 2007, I testified before the subcommittee on select revenue measures, to provide my perspective of the AMT. I'm a firm believer in giving credit where credit is due. I would like to give thanks to Chairman Rangel, Chairman Neal and Majority Leader Hoyer for their work on this most alarming matter. As a first responder, fire fighters are familiar with removing hazards and solving problems. The AMT has been a problem in need of addressing for quite some time, and has far exceeded its design purpose. The AMT has transformed into a tax on the very same people it sought to protect. Fire fighters and paramedics across this great nation don't keep off-shore hidden funds. We are all Public Servants, not overpaid fat cats in need of tax shelters. We work hard, and are more than willing to pay our fair share. I'm delighted that measures are moving forward to correct the AMT and fix it on a one-year basis again for this upcoming season. I'm also pleased that through the honorable Steny Hoyer's work there are efforts being taken to fix this problem once and for all. Back in March I gave the analogy of patching a roof, and at some point you have to replace your roof and not just keep patching it again and again.

On behalf of middle-class America, I encourage all elected officials, whether Republican or Democrat, to support House Resolution 3996 for this one-year patch, and to work to eventually correct (on a permanent basis) the outdated mis-targeted tax of the AMT.

Thank you.

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# Remarks of Congressman Patrick Murphy – D-8<sup>th</sup> District Pennsylvania

NOVEMBER 8, 2007

## Fighting for Middle Class Tax Cuts – *(As Prepared for Delivery)*:

Thank you Leader Hoyer, Chairman Emanuel, Chairman Rangel and Chairman Neal.

I'm Patrick Murphy from the 8th District of Pennsylvania.

As my colleagues have mentioned, the AMT affects 23 million middle class American families.

In 2005, more than 16,000 families in my district paid the Alternative Minimum Tax.

If we fail to act now, however, that number skyrockets to more than 96,000 families.

By enacting this fix we are saving 80,000 families in Bucks County, Montgomery county and Northeast Philadelphia from paying a tax they should not have to pay.

This is a central issue of fairness to the middle class who bear the brunt of keeping our economy growing and I am proud to fight for them.

I am proud to fight for the middle class families across my district and the 30 million homeowners across the country who currently pay a increasing amount in property taxes.

We are fighting for them by decreasing their burden and allowing them to deduct their property taxes. By allowing an additional standard deduction of \$350 for individuals and \$700 for joint filers we are putting real money in the pockets of middle class families.

This is a tax cut for families. For those that work hard and play by the rules, but for too many years were neglected by this administration. I am proud that this Congress is standing up for those families.

In addition to property tax cuts, this bill keeps taxes low for middle class families through the child tax credit and the teacher deduction – which is what our next speaker will discuss.

It is my great pleasure to introduce Judith Frumkin.

Judy teaches Spanish at Western High School in nearby Baltimore, MD.

She has dedicated her life to teaching, serving as an educator for over 35 years. She benefits from one of the tax deductions we are proud to discuss today – the tax cut for educators with out-of-pocket classroom expenses.

I know how hard our teachers work and how important this tax cut will be to them.

Judy, thanks for being here.

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*This statement and other information from the Majority Leader is available at  
[www.majorityleader.house.gov](http://www.majorityleader.house.gov)*

# Remarks of Judith Frumkin, Teacher

NOVEMBER 8, 2007

Hello, my name is Judy Frumkin, and I teach at Western High School in Baltimore. I have been an educator for 35 years.

I love my profession. I have spent my life teaching kids, but I have also spent thousands of dollars in doing so.

On top of the taxes I pay every spring, I pay an additional "Teacher's Tax" every school year for out-of-pocket expenses for my classroom, such as books and school supplies.

The AMT Bill will help my bottom line by extending the tax deduction for money I spend on my students.

Reforms in this bill will also ensure that I don't lose that deduction as a result of an expanding AMT.

More than 3 million teachers across this country utilize this deduction. But if we don't pass the AMT bill, that deduction will lapse. I urge Congress to pass the AMT bill and extend this tax relief for teachers.

Thank you.

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