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## *House of Representatives*

# TAX RELIEF FOR THOSE WHO NEED IT AND WILL SPEND IT

**HON. BOB FILNER**  
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

**MR. FILNER:** Mr. Speaker, I rise in opposition to the Republican majority's ineffective stimulus package. This plan will not accomplish its stated goal of stimulating the economy. In order for tax relief to be effective and fair in stimulating the economy quickly, it must be targeted at those who need it and those who will actually spend it. Giving money to those who will spend it is the most effective way to pump money into the economy.

The Republicans refuse to acknowledge the importance of targeting relief appropriately. The vast majority of the benefits in the Republican plan will go to wealthy individuals. It ignores many groups that are in dire need and attempts to placate others by offering temporary benefits. The benefits for the rich are long term and this administration intends them to be permanent. Rather than calling this an economic stimulus, let's call it what it really is: the renewal of trickle-down economics.

The Democratic alternative provides tax relief to those who need it and those who will spend the money that they receive. Families need a tax cut and the Democratic plan delivers with a permanent increase in the child tax credit, an immediate expansion of the 10-

percent tax-rate bracket, and elimination of the marriage penalty. This relief will go to low- and middle-income Americans who will put it back into the American economy immediately. Those who lost their job in the economic slowdown need assistance and the Democratic package helps them with an extension of their unemployment benefits. This money will be spent right away to pay bills and provide for the needs of their families. The States are in need of economic assistance and the Democratic package gives them the direct aid that they need to the tune of \$44 billion over 10 years. This is money that will be immediately invested in education, healthcare, and homeland security so that States won't have to lay-off any more workers and can begin to hire some back. Small businesses need a stimulus and the Democratic package provides them with tax incentives that encourage investment, foster expansion, and reward those who hire workers who have been unemployed for at least 6 months.

I believe we should go even further in targeting relief to those who need it. I have proposed a plan that provides an exemption from approximately the first \$20,000 of payroll tax, FICA, for all taxpayers and

businesses. This will put about \$1,300 into the pockets of those who will spend it to stimulate the economy and be a big boon to small business. Ask any low- and middle-income family how they would spend a couple of thousand dollars and they will give you a list of things they need right now. To keep the Social Security Fund whole, the bill eliminates the current \$87,000 cap on FICA contributions--meaning that those earning more than \$107,000 a year would pay their fair share.

These alternative proposals would be fast-acting and effective. Equally important, they would be fully paid for. They don't add one dime to our record deficits.

The contrast could not be clearer--the President only seems to trust the richest Americans to receive more of their money back, while my proposal, and the Democratic plan, would provide a significant benefit to low- and middle-income families who would actually spend the money to stimulate the economy--and be an equally significant benefit to small business.