

WASHINGTON, D.C. - By a party-line vote of 24 to 15, the House Committee on Ways and Means yesterday approved H.R. 2, The Jobs and Growth Tax Act of 2003.

Representative Xavier Becerra (CA - 31), the only congressional member from Southern California on the House Ways and Means Committee, voted against sending H.R. 2 to the Floor and plans to vote against the legislation when the House of Representatives takes up the bill Friday, May 9.

"This bill costs too much and does too little for working Americans," Rep. Becerra said. "It does nothing to help the unemployed and those truly struggling in our stagnant economy. In short, this bill compromises the long-term solvency of both the federal budget and the American economy."

The 10-year \$550 billion package centers on lowering the tax rate on dividends and most capital gains to 15 percent. Though costing far less than the president's desired tax cut package of \$726 billion, H.R. 2 costs dramatically more than the \$350 billion that the Senate is proposing. Given the ever-increasing federal deficit, Rep. Becerra believes that the United States Congress should not be broaching tax cut packages as large as these.

During the bill's markup, Rep. Becerra, who serves on the Subcommittee on Social Security, expressed concern over what this law would do to the Social Security trust fund. "This budget would not only break the lockbox, it would obliterate it," he said.

In an effort to create some parity for low-income working families in the extensive list of tax cuts offered up in the Ways and Means Committee, Rep. Becerra presented an amendment to make the marriage penalty relief for families eligible for the Earned Income Tax Credit (EITC) that is scheduled for 2008 effective instead this year. H.R. 2 accelerates the phase-in of marriage penalty relief enacted in 2001 and makes it effective immediately for middle and upper income families. Similar relief included in that same 2001 law for EITC-eligible couples is conspicuously absent from H.R. 2. "I seek to correct one, of many, inequities I see in this proposed tax bill," Rep. Becerra said in offering his amendment. "Married couples eligible for the EITC deserve to share in the marriage tax relief provided in this bill. I'm not asking that we treat them differently, I'm asking that they receive the same level of support for marriage penalty relief that other, more well-off couples are receiving in this bill." To pay for this parity and ensure no further

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damage be done to the fiscal health of the country, Rep. Becerra proposed a reduction in the capital gains rate reduction in H.R. 2 to offset the cost of his amendment. However, his amendment was defeated by a vote of 15 to 22.

Rep. Becerra will be available to discuss H.R. 2 throughout the week. If interested in conducting an interview, please call Steve Haro at 213.819.0004.