

WASHINGTON, D.C. - The House of Representatives passed H.R. 586, the "Tax Relief Guarantee Act of 2002," today by a vote of 229-198. The bill calls for the permanent extension of last year's tax cut, which is due to sunset in 2010.

Representative Xavier Becerra (CA - 30), the only congressional member from Southern California who is on the House Ways and Means Committee, voted against the bill.

"In just one year," Rep. Becerra said, "we've seen substantial surpluses become disturbing deficits. Given this sizeable change, permanently extending last year's tax cut eight years before it's set to expire is not only premature, but also fiscally irresponsible. President Bush's budget admits that projections longer than five years are inappropriate because it is too difficult to see that far into the future. Congressional Republicans, citing the same concern, have responded in kind by submitting a budget that only tracks the next five years of our government's operation. Based on the Republican's own criteria for fiscal management, I would think that this issue would be better addressed later this decade, rather than today. I also think that the priorities of the House of Representatives should include paying down the national debt and shoring up Social Security, not repealing a sunset clause eight years before it's due to expire."

Enactment of this law, Rep. Becerra continued, would force the government to go further into deficit spending. "We're once again pulling out the government credit card to fund this tax cut, thus leaving our children with the burden of paying off the resulting debt."

Rep. Becerra, a member of the Subcommittee on Social Security, also expressed concerns over what this bill would do to the Social Security trust fund.

"The 'Baby Boom' generation - 77 million people strong - begins to retire this decade," Rep. Becerra said. "A permanent extension of this tax cut could prove fatal to the most successful program the United States government has ever created. If we continue down this course of fiscal irresponsibility, this bill could prove fatal to the Social Security system as we know it, and force the government to take dramatic steps like cutting benefits or raising the retirement age. This would prove especially harmful to women and minorities whose work patterns make them more dependent on Social Security than any other group."

Rep. Becerra Votes Against The Permanent Extension Of Last Year's Tax Cut

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Senate Majority Leader Thomas Daschle, citing his concern that enactment of this legislation would lead to a raid on the Social Security trust fund, has vowed to block consideration of this legislation by the Senate this year.