



Grover G. Norquist

President

June 25, 2004

The Honorable Scott Garrett
1641 Longworth HOB
Washington, DC 20515

Dear Representative Garrett:

On behalf of Americans for Tax Reform (ATR) I would like to take this opportunity to commend you for sponsoring H.R. 4629, the "AMT Middle Class Fairness Act of 2004" which indexes the structural components of the Alternative Minimum Tax (AMT) and allows American taxpayers to deduct their state and local taxes when paying the AMT. Americans for Tax Reform pledges full support for this legislation.

As you know, the AMT is set to explode affecting as many as 30 million taxpayers by 2010. A major factor causing more taxpayers being subject to the AMT is because the tax is not indexed for inflation as the regular income tax system is. Since 1990 the number of tax returns subject to AMT has increased ten-fold. And the rate of increase in the number of AMT returns is getting steeper.

With the additional taxpayers facing AMT each year, ATR believes the current rules are working as an effective marginal tax increase. As such, the indexing component is critical to ensuring new taxpayers are not faced with this dreaded tax.

Additionally, your proposal to change the state and local deduction component is critical as well. Most taxpayers facing the AMT are located in high tax states, such as your home state of New Jersey. With Gov. McGreevey continually raising taxes on New Jersey families and these same families being unexpectedly being hit with the AMT, your legislation provides relief for already overburdened taxpayers.

I once again would like to thank you for your commitment to American taxpayers and I look forward to working with you to pass this legislation.

Sincerely,

Grover G. Norquist