



Grover G. Norquist

President

June 24, 2004

Dear Representative:

Today, you will be given the opportunity to vote on a resolution offered by Rep. David Obey that will seek to raise taxes and increase spending. Americans for Tax Reform (ATR) vehemently opposes this legislation.

Without question, the Jobs and Growth Tax Relief Reconciliation Act passed by Congress last May is working. Since the tax cut was put into place, economic growth has accelerated to its fastest growth rate in 20 years and 1.2 million jobs have been created. There is absolutely no justification of repealing any provision of the tax cut.

Opponents of working Americans being able to keep more of their own income have sought to frame the debate as rich versus poor. As such, Rep. Obey is seeking to raise taxes on the "wealthy." What he is not telling you is that the "wealthy" are small business owners who pay the individual income tax, not the corporate tax. Roughly 66 percent of tax filers in the highest tax bracket are small business owners and increasing the tax on them takes away the funding needed for new job creation, raising the wages of workers or purchasing new equipment. And all of this has implications for the "middle-class" families employed by the small businesses Rep. Obey is seeking to protect.

On the other end of the ledger, Rep. Obey believes the federal government needs to spend more taxpayer dollars, despite the fact that spending has been increasing at unprecedented levels since 2000. In calendar year 2004 total federal spending will be \$2.45 trillion, \$586 billion more than was spent in calendar year 2000 and federal spending has been increasing at an average annual rate of more than 7 percent during the same time period.

These spending increases have far exceeded the rate of inflation, economic growth, and the personal income of working American families. As a result, the average American will need to work 87 days out of the year to pay for federal spending. That is an increase of two days since last year and nine days since 2000.

On behalf of Americans for Tax Reform and all American taxpayers, I urge you to vote no on any and all tax increases and by providing the leadership to stop these tax increases from occurring

Thank you for your thoughtful consideration on this critically important issue.

Sincerely,

Grover Norquist