



NEWS

AMERICANS FOR TAX REFORM

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How to Prevent Overspending During a Surplus? Rebates for Taxpayers.

Taxpayers applaud bill introduced by Reps. Eric Cantor (R-Va.) and John Doolittle (R-Calif.), which would automatically return surplus revenue to the taxpayers who paid it.

WASHINGTON – When government revenues exceed government spending is that a surplus? Or is the government simply overcharging taxpayers?

A new bill introduced by Reps. Eric Cantor (R-Va.) and John Doolittle (R-Calif.) would forever change that debate at the federal level, by returning 50-100% of government “surpluses” to taxpayers.

Their Taxpayer Rebate and Responsibility Act, discussed today at a press conference at the U.S. Capitol, stipulates that the federal government would send a percentage of surpluses into debt repayment, and then rebate the rest to taxpayers.

“Talking about ‘surpluses’ in the late 1990s was a death knell to overcharged taxpayers, as spending rose to unsustainable levels at all levels of government,” said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington, DC. **“Surpluses ring of fatted calves and silos overflowing with barley. But those ‘surpluses’ are actually shortages in taxpayers wallets, because the government charged us too much for what the politicians spent. Eric Cantor and John Doolittle’s bill would not only return taxpayers’ money to where it belongs, but would work doubly as a restraint on excessive government spending,”** he continued.

Similar laws exist at the state level across America. Oregon’s “kicker” law sends rebate checks to taxpayers in times of surplus. Colorado’s Taxpayer Bill of Rights (TABOR) amendment ties spending increases to population growth and inflation, ensuring that runaway spending in times of overcharge does not require tax increases when the excess revenues dry up.

The bill also creates a strong incentive among taxpayers to pressure their representatives in Washington to hold back on pork-barrel spending, and instead return the overcharged money to the folks back home.

“Surpluses drive excessive spending,” continued Norquist. **“When the federal government saw excess revenues in 1999, the rate of increase in discretionary spending doubled in the first year alone. And that appetite for spending in times of plenty costs taxpayers when the cash dries up. This is a way for politicians in Washington to seal the lid on the Treasury’s cookie jar, and encourage the treasury to give the cookies back to the taxpayers who baked them,”** he concluded.

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at jcollegio@atr.org.