



AMERICANS
for **TAX REFORM**

Grover G. Norquist
President

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ATR CONTINUES TO OPPOSE IMPROVED BAILOUT PLAN, SUPPORTS RSC ALTERNATIVE

****Cannot Score Against Measure Because It Is a Net Income Tax Cut****

Today, the U.S. House of Representatives will be voting on H.R. 3997, “The Emergency Economic Stabilization Act of 2008.” While a vast improvement from the original Treasury Department plan and the Dodd-Frank draft, this bill still represents an unacceptable government intrusion into the financial services sector. In taking this action, the government is creating a precedent for other distressed industries to appeal to taxpayers for a bailout.

However, the improved compromise language is a significant net income tax cut. For that reason, Americans for Tax Reform cannot in good conscience score against the bill in our “Hero of the Taxpayer” Congressional keyvote scorecard. As a vote tally that primarily tracks tax issues, it would be disingenuous to score against a tax cut—no matter how much we oppose this legislation’s accompanying policies.

A better choice is the alternative advanced by the Republican Study Committee. In particular, the tax provisions—two-year suspension of capital gains, capital basis indexation to inflation, repatriation, and net operating loss carryback—would be timely and effective to combat the current financial panic. Going forward, ATR would happily rate in favor of real reforms along these lines.

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