



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

FOR IMMEDIATE RELEASE
Contact: John Kartch

September 29, 2008
202-785-0266

ON THE HEELS OF THE BAILOUT'S FAILURE, SUPPORTERS NEED A TAX CUT GAME-CHANGER

****Meaningful and timely tax relief will increase number of conservative votes****

WASHINGTON, DC—Americans for Tax Reform President Grover Norquist today offered a path forward for negotiators on the financial bailout package. By adding targeted and timely tax relief to the bill, the belief is that many more Republicans would vote for it.

Americans for Tax Reform opposed the bill because it believed, along with most other conservatives, that there was nothing in it of value to conservatives.

“In prior ‘emergency’ bills, there was some acceptable ratio of tax cuts to new spending,” said Norquist. “There were virtually no tax cuts in this bill, and a staggering \$700 billion price tag.”

The best and most timely tax relief would include:

- allowing companies to repatriate foreign earnings to the U.S. tax-free if the money were used to purchase distressed assets in 2008 and 2009
- creating a capital gains tax holiday for 2008 and 2009; short of this, the capital gains tax rate for corporations could be temporarily cut to the individual rate of 15 percent (down from 35 percent today) in order to encourage corporations to sell assets and purchase distressed assets
- providing that current income and capital gains resulting from the purchase of distressed assets would be permanently free of taxation
- Lowering the corporate income tax rate from 35 percent to 25 percent in 2008 and 2009 for companies that agree to purchase some significant amount of distressed assets

“If any one of these provisions was included in the bailout bill, the number of Republicans supporting it would quickly rise from 65 to over 100,” continued Norquist. “If several were included, this bill could be passed with a majority of the votes coming from the Republican side of the aisle.”

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Americans for Tax Reform is an advocacy organization fighting for lower taxes, less government, and more freedom. Learn more about ATR by visiting www.atr.org

1920 L Street NW

Suite 200

Washington, DC

20036

T: (202) 785-0266

F: (202) 785-0261

www.atr.org