



NEWS

AMERICANS FOR TAX REFORM

1920 L Street, NW • Suite 200 • Washington, DC 20036
202.785.0266 • Fax 202.785.0261

WWW.ATR.ORG

FOR IMMEDIATE RELEASE
28 MAY 2003

CONTACT: Jonathan Collegio
202-785-0266

Taxpayers Win!!! President Bush Signs New \$350 Billion Tax Relief Plan Into Law

Tax relief package accelerates June 2001 tax relief provisions, gives real tax relief on capital gains and double dividend taxation.

WASHINGTON – American taxpayers today won a major victory as President Bush signed the second largest tax relief package of his presidency. Both houses of the United States Congress passed the \$350 billion tax relief package, which will lower taxes on all taxpayers over the next ten years.

The plan will accelerate President Bush's June 2001 tax relief provisions, and also cuts the top rate of taxation on dividend income from 38.6% to 15%, while lowering the top tax rate on capital gains from 20% to 15%. The plan also allows increased tax-free capital investment by small businesses, and bonus depreciation on investments paid for between 2003 and 2005.

“Taxpayers scored another major victory today, by way of President Bush and some stalwarts in Congress,” said taxpayer advocate Grover Norquist, who heads Americans for Tax Reform (ATR) in Washington, DC. **“The cut was half of what the President asked for, but he asked for twice what anyone expected. Of course we’d love to see it bigger, but this is a good start,”** he continued.

The plan will immediately phase in marginal rate cuts scheduled for later years in the June 2001 plan, including expanding the new 10% tax bracket in 2003 and 2004 which would have occurred in 2008. The plan moves the endpoint of the 10-percent tax bracket from \$12,000 to \$14,000 for married couples and from \$6,000 to \$7,000 for single taxpayers. The reductions in income tax rates in excess of 15% scheduled for 2004 and 2006 are accelerated to 2003, resulting in new rates of 25%, 28%, 33% and 35% (from 27, 30, 35 and 38.6, respectively). The bill also accelerates the reduction of the Marriage Penalty and the increase in the child tax credit.

For investors and shareholders, who now make up 52% of American families and 70% of voters in the 2002 midterm elections, the bill will cut the highest tax rate on dividend income from 38.6% to 15%, and capital gains from 20% to 15%. Conservative estimates suggest that this move will increase the stock market by 6-20%, spurring the economy and benefiting all Americans.

“With a president committed to a tax cut every year, what was left out this year will be taken up next year or the year after,” continued Norquist. **“Taxpayers should take each victory one at a time.”**

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