



# NEWS

## AMERICANS FOR TAX REFORM

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## Economy Rockets Ahead At Fastest Pace In 20 Years!!!

*Third quarter GDP revised to 8.2% on strength of business investment fueled by tax cuts*

WASHINGTON – On Tuesday, the Commerce Department (DOC) reported that gross domestic product (GDP), the total value of all goods and service produced within the U.S., grew at an 8.2% annualized rate in the July-September quarter. A significant upward revision from the last month's impressive 7.2% estimate, the economy roared ahead at its fastest pace since early 1984.

The DOC's new estimate reflects even stronger business investment than was originally reported as well as a larger drawdown of business inventories and more brisk spending on residential projects.

**“This blistering economic growth makes it clear that lowering taxes and improving the incentives to work, save, and invest allows for the free enterprise that is the touchstone of the economy,”** said taxpayer advocate Grover Norquist, President of ATR in Washington D.C. **“The nine Democrat presidential wannabes and their army of flaks will have a tough time explaining this away. It would be quite comical if anyone actually cared to listen.”**

Business investment in equipment and software sizzled with 18.4% growth, even stronger than the 15.4% pace previously estimated and more than double the 8.3% reading in the second quarter before the tax cut. Moreover, spending on residential projects swelled by 22.7%, up from the initial 20.4% and more than triple the 6.6% rate in the second quarter.

The catalyst for those increases is rising corporate profits, which provide the capital needed to make new investments and hiring. Profits rose by 11.8%, the fourth consecutive quarterly increase and, excluding a temporary jump in the fourth quarter of 2001, the largest since 1994.

**“The most important aspect of President Bush's tax cut is that it cut the right taxes, allowing for more capital formation by improving the incentives for work, saving, and investing,”** continued Norquist. **“This shift in the incentive structure of the tax code---as long as it exists---will ensure that the current economic growth is only the beginning of lasting economic expansion.”**

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](mailto:jcollegio@atr.org).