



# AMERICANS *for* TAX REFORM

April 7, 2009

The Honorable Judd Gregg  
United States Senate  
Washington, DC 20510

Dear Senator Gregg:

I write today very concerned about your recently-introduced S. 640, the “Second Look at Wasteful Spending Act Of 2009.” **This bill, which is co-sponsored by Senator Joe Lieberman (D-Conn.), lays the groundwork for annual and automatic tax hikes.**

Your bill provides for expedited Congressional consideration of Presidentially-submitted rescission packages. Rather than limiting this to wasteful spending measures and earmarks, however, S. 640 also provides for expedited consideration of “targeted tax benefits.” **Raising taxes grows the size of government. Cutting spending shrinks the size of government. They are two mutually-incompatible actions, and cannot be considered equivalent in any way.**

Even worse, your bill’s definition of a “targeted tax benefit” could be used to include virtually any tax exclusion, adjustment, deduction, or credit. It is defined as:

*(A) any revenue provision that has the practical effect of providing more favorable tax treatment to a particular taxpayer or **limited group of taxpayers** when compared with other similarly situated taxpayers; or*

*(B) any Federal tax provision which provides one beneficiary temporary or permanent transition relief from a change to the Internal Revenue Code of 1986*

What’s concerning is the term, “limited group of taxpayers.” There is no definition here, and Congress and/or the President is presumably free to make this unfortunate group as large or as small as they like, depending on how much they want to raise taxes that year.

Aren’t health savings account owners “limited?” How about homeowners? Families with children? Small business entrepreneurs? Investors? The list is endless, and a “limited group” can be large or small, depending on the mood of politicians at any one time.

S. 640 is an unwise and imprudent bill. It’s a spending Trojan Horse which contains within it annual tax hikes and growth in government.

Sincerely,

Grover G. Norquist

GGN: rle

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

[www.atr.org](http://www.atr.org)