



# Committee On Finance

Max Baucus, Ranking Member

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## **Baucus Urges Quick Passage of Proposal to Aid Tsunami Victims**

*Senators McCain and Clinton Join Baucus in Pushing for Quick Congressional Action*

(WASHINGTON, D.C.) Today, Senator Max Baucus (D-Mont), ranking member of the Senate Finance Committee, urged quick Congressional action for a tax proposal that would extend the period of time Americans can make charitable donations in order to assist victims of the devastating earthquake and tsunami that hit Southeast Asia on December 26. Senator Baucus announced the tax proposal yesterday, and was joined by Chairman Grassley.

"A little over a week ago, the world endured a tragedy of epic proportions," said Baucus. "Americans want to know how they can help to alleviate the pain suffered by victims of this disaster and rewarding them with a tax deduction will make it easier for cash donations to reach those in need quickly. Giving individuals an even greater incentive to give during the next month will help mobilize the great relief work currently underway in Southeast Asia."

Under this proposal, taxpayers would be permitted to claim a tax deduction in tax year 2004 for donations made for tsunami disaster relief until January 31, 2005. Under current law, taxpayers would have to wait until 2006 season to claim a tax deduction for tsunami related gifts made after December 31, 2004. The proposal would cost under \$2 million and will be introduced in the Senate tomorrow. Baucus noted this is a small price to pay for the amount of cash that will be generated to assist in clean-up efforts.

Organizations coordinating relief efforts have specifically asked for cash donations. Cash donations reduce shipping costs of relief items being transported from the United States and allow cash to flow into local economies stimulating growth. This tax proposal will give Americans an added incentive to donate immediately and provide charities with cash support.

Senator John McCain (R-Ariz) touted the legislation as a commonsense approach to deal with the devastating events in the region.

"I am pleased to join my colleagues in cosponsoring this important piece of legislation," said McCain. "As the death toll continues to rise in South Asia, we need to do all we can to encourage Americans in their efforts to provide much needed aid in the tsunami relief effort. I have no doubt that the American people will continue to prove to the world that we remain the most generous and compassionate nation on earth. The costs associated with the overwhelming loss of life and property in the region more than merit approval of this exception to our normal practices. I applaud Senators Grassley and Baucus for their commonsense approach to this terrible problem."

Senator Hillary Rodham Clinton (D-NY) offered similar praise for the legislation.

“As the efforts to raise financial support for the victims of this tragedy begin, it important that as much relief as possible is secured in these coming, critical weeks in order to prevent further catastrophe,” said Clinton. “Many New Yorkers have had family members and friends affected by this disaster and everything must be done in order to move the relief and recovery efforts forward. I am proud to cosponsor this legislation as it will build upon the abundant goodwill of the American people and will help ensure that this much needed aid is delivered as quickly as possible.”

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