



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release
October 25, 2006

Contact: Carol Guthrie
(202) 224-4515

BAUCUS CALLS FOR IMMEDIATE RENEWAL OF VITAL TAX PROVISIONS AS PRESIDENT SAYS FAILURE TO RENEW TAX CUTS EQUALS TAX INCREASE

*Major tax cuts from research and development to teachers' tax credit
allowed to expire, languish in 2006*

Washington, DC – U.S. Senator Max Baucus (D-Mont.), Ranking Democrat on the Senate Finance Committee, called again today for swift passage of vital tax cuts, such as the research and development tax credit and the college tuition deduction, that have been allowed to expire and languish in this session of the 109th Congress. Baucus issued the call after President George W. Bush noted in a morning press conference that a failure to renew tax cuts results in tax increases for the American people. Baucus noted that the congressional majority repeatedly rejected his requests to renew vital tax cuts for American families and businesses this year.

“By the President’s calculation, the majority party in Congress has repeatedly indicated a willingness to saddle Americans with tax increases on college tuition, state and local sales taxes, and even on the supplies that teachers buy for their own classrooms,” said Baucus. **“We should move immediately in the lame duck session to renew these expired tax cuts on which millions of American families and businesses depend, and avoid these looming tax hikes. Democrats will also continue to champion the child tax credit and marriage penalty relief, and we’ll seek to deal with those provisions long before they expire.”**

Areas in which American families and businesses now face tax increases include, but are not limited to:

- R&D tax credit
- WOTC/Welfare-to-Work incentives
- state and local sales tax deduction
- qualified tuition deduction
- deduction for teacher classroom expenses
- New Market Tax Credit (boosts investment in community development)
- Earned Income Tax Credit for military combat pay
- computer donation deduction (for equipment donations to schools and libraries)
- Indian employment tax credit for wages and health insurance

Renewal of these tax cuts for American families and businesses were omitted from this year's tax reconciliation bill in favor of extending tax cuts on capital gains and dividends earnings beyond 2009. The provisions were also stripped from the final pension bill to force a vote on other, controversial legislation.

###