



Committee On Finance

Max Baucus, Ranking Member

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**U.S. SENATOR MAX BAUCUS
STATEMENT ON PASSAGE OF
"TAX RELIEF ACT OF 2005" (S.2020)**

I am pleased to support the "Tax Relief Act of 2005". When Chairman Grassley first raised the issue of this tax bill with me, I told him: If you take capital gains and dividends out of the bill, I can support it. And the Chairman and the Finance Committee took capital gains and dividends out of the bill.

For many reasons, the bill before us today is not all that I would have preferred. I would have preferred that we had handled this tax cut legislation outside of the reconciliation straightjacket. I would have preferred that we had done more to address the immediate needs of the people affected by the Hurricanes that ravaged the Gulf States. And I would have preferred that the Senate would have paid for the tax cuts in this bill. But I know that the Chairman and the Majority Leader would have preferred that the bill was a little different in other ways, as well.

There are many good things in this bill. Extension of the R&D credit is crucial for American businesses to remain competitive. The devastated Gulf States desperately need the help to rebuild that is in this bill. There are incentives to encourage charitable giving and provisions to improve the accountability of tax exempt organizations. And I appreciate extension of the tax provisions, such as the Work Opportunity Tax Credit, Tuition Deduction, and Small Savers Credit, that we all know need to be extended. Most importantly, the bill will provide relief from the Alternative Minimum Tax that will spare millions of working families from this stealth tax.

The bill passed the Senate today with a strong bipartisan vote because it reflects what we have in common. It avoids the quarrels. We will need to resist the fiscally irresponsible road down which the House of Representatives seems headed. If the conference report comes back to the Senate with capital gains and dividends in it, we will be back to a different bill. And we will be back to a knock-down, drag-out fight.

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