

I appreciate the gentlewoman's courtesy.

You can hear the drumbeat from our friends on the other side of the aisle about the largest tax increase in American history. Well, the fact is we are today going to be able to talk about the largest tax increase in American history, but it is not contained in the Democratic budget. The largest tax increase in American history is \$1.8 trillion that the President's budget anticipates as a result of the collection of the alternative minimum tax.

It has never been a priority of the Republicans to deal with this looming disaster. Indeed, they squandered 8 years of hard-earned Democratic surpluses, unprecedented surpluses, squandered in a heartbeat in their relentless pursuit to give tax benefits for those who need them least.

There are a few items in there that would have broad bipartisan agreement, the 10 percent bracket, tax credit for families, making some reasonable adjustment in the inheritance tax. But no, they were not interested in dealing with areas of agreement and then solving the alternative minimum tax. Each year, they have kicked the millionaire tax down the road. It has long since morphed into something that is not a millionaire's tax. It is going to be a tax under the President's proposal, and with the Republican priorities, it is going to be a tax on every two-income working family in America with children that have any sort of middle income.

They are going to be paying the alternative minimum tax. And in fact, it is going to cost them more to compute in many cases than the actual tax. They get whacked twice.

In 2001, in 2003, the Republicans refused to deal with this looming challenge and instead gave all sorts of tax breaks to all sorts of people and avoided solving this problem.

In 2004, when we had a \$4 billion problem with our overseas manufacturing tax credit, that morphed into a \$137 billion tax grab bag and ignored the alternative minimum tax. I put forth to the administration in our hearings in both Ways and Means and in Budget to find out where their priority was. Well, their priority is not fixing the alternative minimum tax, just a 1-year patch. They want to extend all of these tax breaks, the good and, frankly, some of the bizarre, for people like Paris Hilton.

Well, Madam Speaker, the Democratic alternative is focusing on what the real problem is. What we are doing in Ways and Means, we have made a commitment. Our number one priority is to solve the alternative minimum tax. Theirs, as is evidenced in their substitute, is going to take all of the potential headroom to make that challenge in solving the problem even more difficult by permanently extending all of those tax increases without any offset.

The Democratic alternative is responsible, it speaks to the needs of working men and women, fiscal stability, and most important, our priorities stopping the looming tax tsunami of the alternative minimum tax, which will, in fact, be the largest tax increase in American history.