

Washington, DC – Today the House passed the Temporary Tax Act of 2007, H.R. 3996, legislation that would prevent the Alternative Minimum Tax (AMT) from hitting 23 million additional families this tax year. The legislation, offered by the Committee on Ways and Means on which Congressman Earl Blumenauer (D-Ore) serves, is completely paid for by closing corporate tax loopholes.

“Families earning \$50,000 were never meant to pay the Alternative Minimum Tax,” said Congressman Blumenauer. “From its inception, it was intended only for the very wealthiest in our country. Simply by closing corporate loopholes, this Congress can protect 23 million Americans from a burdensome tax hike. In Oregon’s third district alone, if left untouched the number of people paying the AMT would jump from 7,000 to almost 45,000.

“This week the nation’s deficit hit a record \$9 trillion as a result of the Bush administration’s budget mismanagement and misspending on the war in Iraq. By paying for the AMT, not only are we protecting tens of millions of Americans from a tax hike, but we’re protecting future generations from further deficit spending.

“Solving the AMT has never been a priority for the Republicans who squandered hard-earned Democratic surpluses in their relentless pursuit to give tax benefits to those who need them least. I am proud to serve on the Ways and Means Committee which, time and again this Congress, has demonstrated its firm commitment to achieving tax equity and protecting Americans. Today we did it again by passing this important bill.”

Without the AMT, the following is a breakdown of how many more in Oregon would be impacted by the tax:

STATE/Member

District

Number of Households Paying AMT -- 2005

Estimated Number of Households Paying AMT in 2007 if Congress Fails to Take Action

% Increase

Households Saved from the AMT by Democratic Bill

OREGON

OR

36,336

246,544

579%

210,208

Wu

OR-01

13,625

71,756

427%

58,131

Walden

OR-02

565

35,728

6224%

35,163

Blumenauer

OR-03

6,792

44,285

552%

37,493

DeFazio

OR-04

5,243

38,666

637%

33,423

Hooley

OR-05

10,111

56,109

455%

45,998

The Temporary Tax Relief Act of 2007 protects 23 million middle-class families from being hit by the Alternative Minimum Tax and includes a series of other provisions that provide tax relief to working families. The bill:

- Provides 30 million homeowners with property tax relief
- Helps 12 million children by expanding the child tax credit
- Benefits 11 million families through the State and local sales tax deduction
- Helps 4.5 million families better afford college with the tuition deduction
- Saves 3.4 million teachers money with a deduction for classroom expenses
- Provides thousands of American troops in combat with tax relief under the Earned Income Tax Credit.
- Extends the R&D tax credit to promote innovation and high-paying jobs

The Temporary Tax Relief is fully paid for, will not add to the deficit and will grow our economy with tax relief to promote innovation and high-paying jobs.