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NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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DEMOCRAT TAX PLAN

ELECTION YEAR BENEFITS FOR INCUMBENT "RULING CLASS," NOT MIDDLE CLASS;
AMERICAN PEOPLE DEMANDING "WHERE'S THE FAIRNESS?"

I'M PLEASED WE ARE NEARING THE END OF THIS DEBATE SO WE CAN GET THIS POLITICAL BILL TO THE PRESIDENT, GET IT VETOED AS IT SHOULD BE, AND GET ON WITH THE MAIN EVENT -- A BILL THAT WILL REALLY HELP PROMOTE ECONOMIC GROWTH AND JOBS, WITHOUT RAISING TAXES.

LET'S FACE IT, THE BILL BEFORE US IS ANOTHER SALVO IN THE MAJORITY DEMOCRATS' PHONY CLASS WARFARE CAMPAIGN -- THE MISSION, TO SEIZE THE SO-CALLED "FAIRNESS" ISSUE, DEFEND THE "MIDDLE CLASS," AND TRY TO EMBARRASS THE REPUBLICANS AND THE PRESIDENT AS THE DEFENDERS OF THE SO-CALLED "RICH."

IN FACT, THE ONLY PARTY THIS BILL IS GOING TO EMBARRASS IS THE DEMOCRAT PARTY, BECAUSE THE MORE YOU LOOK AT THE FINANCE COMMITTEE BILL, THE MORE YOU REALIZE IT ISN'T ALL IT'S CRACKED UP TO BE. THE BOTTOM LINE IS, THEIR BILL MAY BE LONG ON PROMISES, BUT IT'S REAL SHORT ON FAIRNESS -- ACROSS THE BOARD.

THE FACTS ABOUT THE MIDDLE CLASS TAX CUT

IT'S EASY TO MAKE SPEECHES ABOUT THE MIDDLE CLASS, BUT LET'S LOOK AT THE FACTS, STARTING WITH THE MUCH BALLYHOOD MIDDLE-CLASS TAX CUT, A \$300 NON-REFUNDABLE TAX CREDIT FOR CHILDREN UNDER THE AGE OF 16. IT MUST COME AS A SURPRISE TO A LOT OF SENIOR CITIZENS THAT THEY'VE BEEN LEFT OUT OF THE "MIDDLE CLASS," AND LEFT OUT IN THE COLD. IN ADDITION, MORE THAN HALF OF ALL AMERICAN CHILDREN LIVE IN FAMILIES THAT ARE EXCLUDED FROM THIS SO-CALLED TARGETED TAX CREDIT. A LOT OF TWO-INCOME FAMILIES -- AN URBAN POLICE SERGEANT AND A SCHOOL TEACHER, FOR EXAMPLE -- WOULD GET NOTHING UNDER THE FINANCE COMMITTEE PROPOSAL.

IN FACT, WHEN YOU ADD IT ALL UP, LESS THAN 3% OF THE TAX REDUCTION WOULD GO TO FAMILIES WITH INCOME UNDER \$20,000. AND WHEN THE DEMOCRATS TALK ABOUT SOAKING THE RICH, A LOT OF HARDWORKING AMERICANS MAY BE SURPRISED TO LEARN THAT 89% OF THE REVENUE RAISED UNDER THE DEMOCRAT TAX HIKE WOULD COME FROM INDIVIDUAL TAXPAYERS WITH UNINCORPORATED BUSINESS INCOME, HARDLY THE BATH THE DEMOCRATS ARE PROMISING FOR THE HIGH-EARNING FAT CATS.

SO, LET'S NOT TRY TO FOOL ANYONE. THE MIDDLE CLASS IS ASKING "WHERE'S THE FAIRNESS?"

HOMEBUYER TAX CREDIT EXCLUDES MOST FIRST-TIME BUYERS

ONE OF THE MOST INNOVATIVE GROWTH INITIATIVES PROPOSED BY THE PRESIDENT IS THE TAX CREDIT FOR FIRST-TIME HOMEBUYERS. WHAT THE DEMOCRATS HAVE DONE, HOWEVER, IS LIMIT THE \$5000 CREDIT TO THE PURCHASE OF NEW HOMES ONLY. I DID SOME CHECKING, AND IT TURNS OUT THAT MORE THAN 80% OF ALL FIRST-TIME HOMEBUYERS PURCHASE EXISTING HOMES. SO, WHILE THE FINANCE COMMITTEE PLAN LEAVES MORE THAN 80% OF FIRST-TIME HOMEBUYERS OUT IN THE COLD, IT'S A GOLD-PLATED SUBSIDY FOR THE BIG DEVELOPERS, AT THE EXPENSE OF THE TWO MILLION AMERICAN TAXPAYERS TRYING TO SELL AN EXISTING HOME. THE FINANCE COMMITTEE PLAN ALSO DISCRIMINATES AGAINST THE AREAS THAT NEED HELP THE MOST, OUR INNER CITIES, OLDER NEIGHBORHOODS AND RURAL AREAS LOOKING FOR NEW BLOOD IN THE ABSENCE OF NEW CONSTRUCTION. AMERICAN HOMEBUYERS, HOMESSELLERS AND FOLKS IN RURAL AMERICAN AND ALL THE INNER CITIES ARE ASKING "WHERE'S THE FAIRNESS?"

TAXING SMALL BUSINESS & JOB CREATION

THE BENTSEN PLAN IS JUST ANOTHER BIG BURDEN ON SMALL BUSINESS. THE TAX HIKES IN THIS BILL ARE A TAX INCREASE ON SMALL BUSINESSES AND JOB CREATION. MOST SMALL BUSINESSES ARE TAXED AT INDIVIDUAL RATES, AND SIXTY TO EIGHTY PERCENT OF ALL JOBS CREATED EVERY YEAR ARE CREATED BY SMALL BUSINESS. JUST ASK ANY BUSINESSMAN OR WOMAN ON MAIN STREET, AND THEY'LL TELL YOU THAT HIGHER TAXES AND JOB CREATION JUST DON'T MIX. TIMES ARE TOUGH ENOUGH WITHOUT JACKING UP THE TAX BURDEN ON OUR NATION'S PRIMARY EMPLOYERS. LET'S FACE IT, THE AMERICAN PEOPLE ARE DEMANDING PAYCHECKS, NOT HIGHER TAXES.

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