

(Washington, D.C.) – U.S. Representative Rush Holt (NJ-12) today spoke in support of the Middle Class Tax Relief Act of 2010, which passed the House by a vote of 234 to 188. His remarks are below:

I rise in support of the Middle Class Tax Relief Act of 2010 to ensure that working and middle class families receive tax relief as we emerge from the worst recession in three-quarters of a century.

Some history about this issue is needed as some on the other side of this debate seem to have a short memory. In 2001 and 2003, President Bush and the Republican-controlled Congress enacted sweeping tax cuts that largely benefited the wealthiest in America without corresponding cuts in federal spending. I opposed these tax cuts. These tax rates were passed on the erroneous argument that they would stimulate the economy and that they would generate more revenue than they cost. The evidence is clear that cutting tax rates resulted in a net loss of revenue to the government, and there is scant evidence that they provided much economic stimulus.

I support extending tax policies that help working families in New Jersey and across the nation. Two years ago, I was proud to support President Obama's Making Work Pay tax cuts, which cut taxes by \$400 for individuals making \$75,000 or less and \$800 for households making less than \$150,000. As we debate whether or not to continue Bush-era tax rates that shift the tax burden from wealthier Americans to the middle class, I should remind my colleagues that extending the Obama tax cuts for working Americans would cost less and benefit the economy more.

With the current income rates expiring at the end of this month, I am pleased to support the Middle Class Tax Relief Act of 2010. This measure would extend permanently the tax cuts for all Americans on taxable income under \$200,000 for individuals and \$250,000 for joint-filers. For households that earn more, the marginal tax rate on that additional income would return to its level during the 1990s.

According to the nonpartisan Tax Policy Center, maintaining the Bush-era tax cuts for income over \$200,000 for individuals and \$250,000 for joint-filers would provide the top one percent of wage earners with an average tax break of \$53,674. Furthermore, according to the Congressional Budget Office, extending the Bush-era tax cuts for the top wage earners would

add nearly \$700 billion to the national debt over the next ten years.

While much of the debate has focused on marginal income tax rates, this measure extends other forms of tax relief that are of critical importance to my constituents in Central New Jersey.

This legislation contains a two-year patch for the Alternative Minimum Tax. Because this tax, which was intended for a few hundred of the wealthiest Americans, has never been adjusted to account for inflation it threatens middle-class families. The 12th Congressional District of New Jersey in particular is hard hit by the AMT. This bill would prevent an additional 88,000 of my constituents from being subject to this unfair part of the tax code.

The bill before us today would make permanent the maximum Child Tax Credit of \$1,000 while expanding eligibility for the credit and making it refundable. This bill would provide permanent relief for the so called marriage penalty that unfairly penalizes couples who jointly file their taxes. The legislation also would continue Earned Income Tax Credit rules that simplify and expand its eligibility requirements.

Additionally, today's bill would extend a host of family friendly tax breaks that allow taxpayers to deduct student loan interest, save for their children's college education, and defray the costs of adoption.

With the country facing growing long-term deficits and with the expiration of current tax rates looming, my constituents and all Americans are demanding that policymakers act quickly and prudently. The tax policies in the bill before us today are the ones my constituents and the American people support. These cuts balance the needs of working families with the nation's need to get its fiscal house in order. I am pleased to support this bill today, and I urge my colleagues to join me today in voting for the Middle Class Tax Relief Act.

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