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COMMITTEE ON
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DEPUTY REPUBLICAN WHIP

Congress of the United States
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January 17, 2008

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

Dear Madam Speaker:

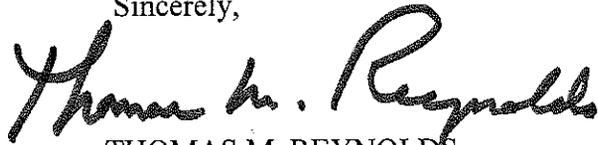
As the lead House sponsor of the "Stealth Tax Relief Extension Act of 2007" (H.R. 1112) – legislation on which Congress's year-end alternative minimum tax (AMT) patch bill for 2007 was based – I write to urge you to take the earliest possible action this year on a similar AMT patch for 2008. As you know, last year's AMT patch – which extended temporary AMT relief through December 31, 2007, without raising taxes -- was enacted later in the legislative year than ever before. As a result of that unprecedented delay in Congressional action on last year's patch, the upcoming tax-filing season is expected to involve significant disruption and substantial taxpayer confusion. While I remain hopeful that bipartisan efforts to achieve a long-term AMT solution will eventually bear fruit, I sincerely hope that, over the weeks ahead, Republicans and Democrats can, at the very least, work together to prevent a similar situation from developing again.

Accordingly, I would respectfully draw your attention to the "Stealth Tax Relief Extension Act of 2008" (H.R. 5031, copy attached), new legislation I introduced today that would extend to 2008 the temporary AMT relief that Congress enacted on a bipartisan basis last month. Although you personally opposed last month's bipartisan AMT relief bill, I am confident that the common-sense approach taken in my new legislation will once again engender overwhelming, bipartisan support, just as it did last year.

In light of the heightened, bipartisan interest over recent weeks in enacting an economic stimulus package early this year, I would also note that the 2008 AMT patch has been identified by the Congressional Budget Office (CBO) as among the more effective legislative options to help address the current economic situation. As this week's CBO report made clear, enacting an AMT patch early this year would permit hard-working, middle-class taxpayers to properly adjust their withholding levels to provide workers additional take-home pay in each paycheck. Because the AMT patch has been estimated to save affected taxpayers an average of about \$2,000 per year, early enactment of my new legislation would be expected to increase the typical AMT-affected worker's take-home pay by as much as \$167 per month. These taxpayers could, in turn, use those additional funds to purchase food, gasoline, healthcare, or other critical items that would help them not only meet the material needs of their families, but spur the economy as well. In my view, this is precisely the sort of immediate, high-impact tax policy change that Congress should be discussing as part of the ongoing economic stimulus debate, and I would encourage you to give this idea careful consideration as you work to craft a bipartisan stimulus package.

Clearly, the AMT patch stands on its own merits as a matter of tax policy and fairness, as evidenced by the House's overwhelming 352-64 vote on the free-standing 2007 patch last month. Regardless of whether my new AMT patch legislation covering 2008 is included as part of the forthcoming stimulus package or is considered separately at a later date, I stand ready to work with you to prevent this needless tax increase on millions of America's middle-class taxpayers, while also ensuring that we avoid other unwarranted tax increases that would further endanger our economy. Working together, I am confident that we can once again protect taxpayers from an unwelcome tax hike due to the AMT, and that we can do so in a much more responsible manner than occurred last year. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Reynolds". The signature is written in a cursive, flowing style with a large initial "T".

THOMAS M. REYNOLDS
Member of Congress