

## This Week in Washington

### Jobs and Growth Tax Act of 2003 Passes House On President's Desk for Signature

Last night, Congress passed **H.R. 2, the Jobs and Growth Tax Act of 2003**. This \$330 billion tax relief package is the third largest tax cut in U.S. history and will now go to President Bush for his signature. The bill was approved on a 222-203 party line vote in the House of Representatives with only 7 Democrats voting in favor of this tax relief.

This legislation will strengthen the U.S. economy and increase opportunities to reach the American dream by providing much needed tax relief to families and small business. This pro-growth legislation addresses both the short-term economic stimulus and long-term economic growth needs of the American economy. Lowering government-imposed costs will produce more capital enabling more people to invest and business to expand---thus creating jobs.

It is crucial for Congress to take action to create more jobs and strengthen our economy.

This package is about more than business expensing, dividend relief and income tax reductions. It is about restoring hopes and dreams, as well as jobs. That is our number one priority.

The bill features many provisions that provide tax relief for families and spur the economy. These include:

- \* **Child credit.** Increases child credit to \$1,000 for 2003, 2004. Families will receive a "child credit" check this year of up to \$400 per child.
- \* **10 percent bracket.** Accelerates the expansion of the 10 percent bracket for 2003, 2004.
- \* **Marriage penalty relief.** Accelerates the expansion of the 15 percent bracket and the increase in the standard deduction for married persons filing joint returns for 2003, 2004.
- \* **Individual rate cuts.** Accelerates the 2006 individual rate cut schedule to 2003. (Rates reduced from 27% to 25%; 30% to 28%; 35% to 33% and 38.6% to 35%.)
- \* **Small business expensing.** For 2003 through 2005, increases the amount that small businesses can expense (immediately deduct) from \$25,000 to \$100,000. Increases the definition of small business from \$200,000 of capital purchases to \$400,000. Both amounts are indexed for inflation in 2004 and 2005.
- \* **Dividend and capital gain tax rate reduction.** For taxpayers in the lowest two tax brackets, reduces the tax rate on dividends and capital gains to 5 percent through 2007 and zero percent in 2008. For all other taxpayers, reduces the tax on dividends and capital gains to 15 percent through 2008.

The package also includes \$20 billion in aid for state governments. Half the funds are slated for increased Medicaid funding and the other half will be allocated to states based on population over two years.

*Information provided by the Department of the Treasury*

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### Today in History

**1788** - South Carolina became the eighth state to ratify U.S. Constitution.

**1827** - The first nursery school in the U.S. was established in New York City.

**1846** - Arabella Mansfield was born. She was the first woman in the U.S. to pass the bar exam, though she never used her law degree.

**1876** - Boston's Joe Borden pitched the very first no-hitter in the history of the National League.

**1879** - The first U.S. veterinary school was established by Iowa State University.

**1895** - The New York Public Library was created with an agreement that combined the city's existing Astor and Lenox libraries.

**1900** - Civil War hero Sgt. William H. Carney became the first African American to receive the Medal of Honor, 37 years after the Battle of Fort Wagner.

**1922** - "Daylight Savings Time" was debated in the first debate ever to be heard on radio in Washington, DC.

**1937** - John Rockefeller died.

**1962** - The National Basketball Association (NBA) agreed to transfer the Philadelphia Warriors to San Francisco, CA.

**1985** - Thomas Patrick Cavanagh was sentenced to life in prison for trying to sell Stealth bomber secrets to the Soviet Union.

*From [www.On-this-day.com](http://www.On-this-day.com)*

## This Week in Washington cont.

### Blunt Names Pombo Deputy Majority Whip

WASHINGTON--Majority Whip Roy Blunt (Mo.) today announced his selection of California Congressman Richard Pombo to be a Deputy Whip for the 108th Congress.

Deputy Whips are responsible for helping the Majority Whip and the Chief Deputy Majority Whip find the votes necessary to pass critical legislation.

"Richard will be an excellent Deputy Whip, and I am pleased that he has agreed to do this very important job," Blunt said. "I look forward to working with him every day to move the Republican agenda forward in the House."

"With critical legislation facing the House everyday, we must have a strong team working to ensure that vital legislation becomes approved," said Pombo, Chairman of the House Committee on Resources. "I'm honored that Roy Blunt has asked me to be part of his team."

"Richard and I and the rest of our team have a lot of hard work ahead of us as the House addresses an aggressive legislative agenda, but I am confident that we'll have a good year and continue getting the work done that the American people have sent us here to do," Blunt continued.

"Richard Pombo's new role will give California's Eleventh District an even bigger voice in the decision-making process in the House," Blunt said. "This is a real win for California."

Blunt was first elected to Congress in 1996 and became Chief Deputy Majority Whip at the beginning of his second term, when Congressman J. Dennis Hastert (Ill.) became Speaker in 1999. The Majority Whip is the third-ranking member of the House leadership, behind the Speaker and the Majority Leader. Virginia Congressman Eric Cantor serves as the Chief Deputy Majority Whip.

*Reprinted from [www.majoritywhip.gov](http://www.majoritywhip.gov)*

### Pombo Reintroduces Legislation to Ban Pollutant MTBE

Concerned that the gasoline additive MTBE (methyl tertiary butyl ether) has contaminated groundwater supplies throughout the country, Congressman Richard Pombo yesterday again introduced a bill to prohibit the use of MTBE as a fuel additive.

MTBE has been used in most of California's 24 million vehicles since 1996. Since its introduction as a fuel additive, MTBE has polluted drinking water wells and has been singled out as a possible carcinogen. The legislation also requires that any new additives face rigorous scientific safety testing before being used. This is the third time Pombo has introduced the legislation.

"We were lied to when we were told that MTBE would clean our air," said Pombo. "Instead, it has polluted our groundwater. I will continue the fight to ban MTBE until its use as a fuel additive is in the past."

### Effects of Major Individual Income Tax Relief Provisions in Jobs and Growth Tax Relief Reconciliation Act of 2003

In 2003, 91 million taxpayers will receive, on average, a tax cut of \$1,126 under the Jobs and Growth Act of 2003.

- 68 million women will see their taxes decline, on average, by \$1,338.

- 45 million married couples will receive average tax cuts of \$1,786.

- 34 million families with children will benefit from an average tax cut of \$1,549.

- 6 million single women with children will receive an average tax cut of \$558.

- 12 million elderly taxpayers will receive an average tax cut of \$1,401.

- 23 million small business owners will receive tax cuts averaging \$2,209.

- 3 million individuals and families will have their income tax liability completely eliminated by the Act.

*Information provided by the Department of the Treasury*

### Ronald Reagan on Tax Reform

Success should not be penalized by high taxes. Idle industries have cast workers into unemployment and personal indignity. Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

*Inaugural Speech, Washington D.C. Jan 20, 1980*