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U.S. Representative

***John Spratt***

South Carolina # 5th District

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News Release

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## Spratt Votes for Immediate Tax Rebate

WASHINGTON – U.S. Rep. John Spratt (D-SC) Wednesday voted for a bill to provide a one-time rebate this year to everyone who paid income taxes in 2000, up to a maximum of \$300 for singles and \$600 for married couples.

“I think this rebate may give the economy a lift,” said Spratt, the Ranking Member on the House Budget Committee. “And this economy needs a boost. That’s why I initiated the idea of a rebate in the budget resolution I brought to the House floor. I am pleased to see the idea catch on.”

Spratt said one problem with the president’s tax cuts is that they phase in very slowly. “A bigger problem,” he said, “is that they assume a succession of surpluses over the next ten years, which may or may not come about. I hope these projections prove right. But if they don’t pan out, we will find our budget back in the hole.”

According to Spratt, “The advantage of a one-year rebate is that it can be paid from this year’s surplus, which at this point is a pretty certain sum, around \$90 billion when the fiscal year closes at the end of September.”

In addition to providing an immediate rebate, the bill includes the following provisions:

- # **Tax Bracket:** Creates a new 12% income tax bracket for the first \$20,000 of taxable income for a joint return (\$10,000 for a single filer), which allows taxpayers a \$600 tax reduction in their taxes. The bill also adjusts the alternative minimum tax (AMT) so that taxpayers with income tax liability of any kind still receive the full rate reduction.
- # **Earned Income Tax Credit:** Increases the earned-income tax credit (EITC) by \$272 for working families with one child and by \$320 for working families with two or more children. It also increases by \$2,500 the income level at which the EITC begins to phase out for married couples.
- # **Standard Deduction:** Raises the standard deduction for married couples to double the level for single taxpayers.

“Unfortunately, our bill did not pass,” said Spratt, “but it contains a lot of good ideas that we hope will prevail at the end of the day.”

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