

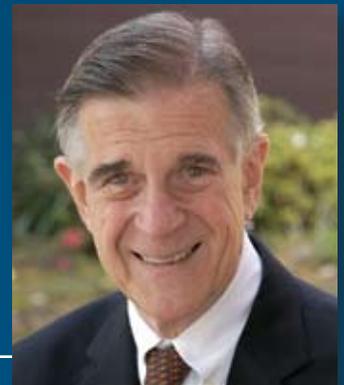


CONGRESSMAN PETE STARK
39300 Civic Center Drive, Suite 220
Fremont • California • 94538

www.house.gov/stark
(510) 494-1388
petemail@mail.house.gov

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Pete Stark
M.C.
PRESORTED STANDARD



CONGRESSMAN PETE STARK'S

Message on Tax Fairness

Lowering Taxes for Low- and Middle-Class Families

TOWN MEETINGS SATURDAY, JUNE 16, 2007

FREMONT

8:30 a.m. – 9:30 am
Fremont Senior Center
40086 Paseo Padre Parkway

SAN LEANDRO

10:00 a.m. – 11:00 a.m.
Marina Community Center
Thunderbolt Presentation Room
15301 Wicks Boulevard

ALAMEDA

11:30 a.m. – 12:30 p.m.
Alameda City Hall
Council Chambers
2263 Santa Clara Avenue

A Message on Tax Fairness

FROM CONGRESSMAN PETE STARK

JUNE 2007

Dear Friend:

Low- and middle-income Americans are being asked to shoulder too much of our nation's tax burden while the rich aren't paying their fair share. In Congress, I'm working toward a solution, a revision to what is known as the Alternative Minimum Tax (AMT).

In the 1960s, Congress created this tax in response to a Treasury Department report that numerous wealthy individuals were able to entirely avoid paying taxes by using loopholes, deductions and exclusions. Under the AMT, many of these deductions are prohibited.

The AMT forced the rich to pay taxes and was a sensible solution at the time. Unfortunately, it wasn't indexed to inflation. As a result, more and more middle-income families are now being forced to pay higher taxes. By 2010, two-thirds of taxpayers with incomes between \$50,000 and \$100,000 will pay thousands more in taxes because of the AMT. This tax affects schoolteachers, nurses, and firefighters – middle-class people it was never designed to impact.

What's more, the AMT specifically prohibits parents from making exemptions for their children. A more accurate name for the tax is the "Parent Penalty." By 2010, nearly all couples with at least two children and incomes between \$75,000 and \$100,000 will pay this penalty.

While President Bush helped enact billions in tax breaks for the wealthy, neither he nor the previous Republican Congress chose to relieve this tax burden on middle-income families.

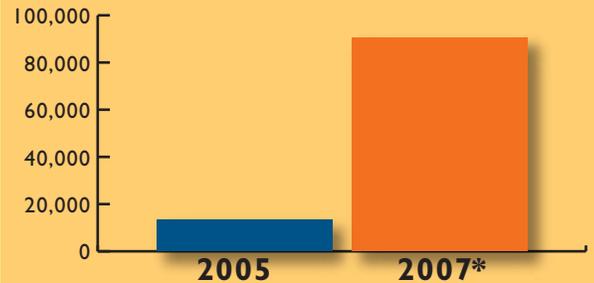
The new Democratic Congress will take America in a new direction. We plan to exempt middle-class families from paying the AMT and expand the Earned Income Tax Credit and other programs for low-income families. To pay for this move toward tax fairness, we'll raise tax rates for Americans making more than \$500,000 a year.

I hope to talk with you more about the Parent Penalty and other issues of interest at my town meetings on **Saturday, June 16, 2007**.

Sincerely,



Middle Class People Paying Higher Taxes because of the AMT in California's 13th Congressional District



Total District population: About 640,000
*Projected if Congress fails to act

Lowering Taxes for Low- and Middle-Class Families