



RSC Policy Brief: **Conservatives Demand Lower Taxes**

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Conservatives fundamentally believe that the federal government should do fewer things with fewer taxpayer resources, so that American citizens and businesses can do more things with more of their own resources. Tax relief is about returning power to individuals and families, employers and employees, by requiring that they send less money to Washington. Below is a menu of bills introduced by RSC Members in the 110th Congress that would lessen the tax burden for individuals and businesses, thereby reducing the reach of the federal government and increasing freedom for all Americans.

Rep. Paul Ryan (R-WI), RSC Chairman Jeb Hensarling (R-TX), Rep. John Campbell (R-CA), and Michele Bachmann (R-MN) introduced the [Taxpayer Choice Act](#) (H.R. 3818) to repeal the Alternative Minimum Tax (AMT) on individual taxpayers after 2006, allow taxpayers to choose an alternative income tax system with two low rates and no special deductions, and make permanent the capital gains and dividends rate reductions of 2003.

Rep. Scott Garrett (R-NJ), RSC Chairman Jeb Hensarling (R-TX), Rep. John Campbell (R-CA), and Rep. Jim Jordan (R-OH) introduced the [Economic Growth Act](#) (H.R. 5109) to allow all businesses to immediately expense—or fully deduct on their tax returns—the costs of assets (including buildings) they purchase for their business in the year that they buy such assets (“Section 179” expensing), reduce the top corporate *income* tax rate from 35% to 25%, index for inflation the cost basis used when calculating the capital gains tax on assets acquired before the end of 2008, and reduce the top corporate *capital gains* tax rate from 35% to 15%.

Rep. Tim Walberg (R-MI) introduced the [Tax Increase Prevention Act](#) (H.R. 2734) to prevent any scheduled tax increases by making permanent the marginal rate reductions of 2001, the capital gains and dividends tax relief of 2003, the tax deduction for state and local sales taxes, the tax deduction for tuition and related expenses, the increased (“Section 179”) expensing allowance for business assets, and the research and development tax credit.

Rep. Michael Burgess (R-TX) introduced the [Freedom Flat Tax Act](#) (H.R. 1040) to allow an individual or a person engaged in business activity to choose to be subject to a flat tax (in lieu of the existing tax provisions) of 19% for the first two years after a choice is made, and 17% thereafter.

Rep. John Campbell (R-CA) introduced the [Internet Consumer Protection Act](#) (H.R.1077) to make permanent the ban on state and local taxation of Internet access and on multiple or discriminatory taxes on electronic commerce.

Rep. Eric Cantor (R-VA) introduced a bill ([H.R. 2312](#)) to make permanent the individual income tax rates for capital gains and dividends.

Rep. Eric Cantor (R-VA) introduced the [Middle Class Jobs Protection Act](#) (H.R. 4995) to reduce the maximum corporate income tax rate to 25%, increase the (“Section 179”) expensing allowance for depreciable business assets to \$250,000 in 2008 and 2009, increase to 50% the current year bonus depreciation allowance for certain property placed in service in 2008 and 2009, and allow additional carrybacks for certain net operating losses and for excess business and foreign tax credit amounts arising in 2008 and 2009.

Rep. Eric Cantor (R-VA) introduced the [Grow American Investment Now Jobs Act](#) (H.R. 5169) to reduce the maximum income tax rate on corporations, including personal service corporations, from 35% to 25%.

Rep. Mario Diaz-Balart (R-FL) introduced a bill ([H.R. 411](#)) to make permanent the tax deductions for state and local sales taxes, for certain expenses of elementary and secondary school teachers, and for tuition and related expenses, and make permanent the Bush Tax Cut’s child tax credit expansion, marriage penalty relief, repeal of the estate tax, and tax deduction for higher education expenses.

Rep. Mary Fallin (R-OK) introduced a bill ([H.R. 4845](#)) to exclude overtime pay from gross income.

RC Luis Fortuño (R-PR) introduced a bill ([H.R. 763](#)) to make permanent the tax deduction for income attributable to domestic production activities in Puerto Rico.

Rep. Trent Franks (R-AZ) introduced the [Seniors Financial Security Act](#) (H.R. 2507) to repeal the inclusion in gross income of Social Security and tier 1 railroad retirement benefits.

Rep. Scott Garrett (R-NJ) introduced the [AMT Middle Class Fairness Act](#) (H.R. 1942) to allow a deduction from the Alternative Minimum Tax (AMT) for state and local taxes and index the AMT exemption amounts for inflation after 2006.

Rep. Wally Herger (R-CA) introduced the [Small Business Expensing Expansion and Permanency Act](#) (H.R. 1797) to increase and make permanent the expensing allowance for (“Section 179”) small business assets to \$200,000, increase the threshold for the phase-out of such allowance to \$800,000, and provide for inflation adjustments to the expensing and threshold amounts.

Rep. Wally Herger (R-CA) introduced a bill ([H.R. 5294](#)) to reduce the 6.2% federal unemployment tax rate for calendar year 2008 by 0.2 percentage-points.

Rep. Wally Herger (R-CA) introduced a bill ([H.R. 5908](#)) to repeal the capital gains rate for individuals and corporations.

Rep. Duncan Hunter (R-CA) introduced the [Restore U.S. Manufacturing Act](#) (H.R. 3900) to allow a 100% tax deduction for qualified manufacturing activities income.

Rep. Sam Johnson (R-TX) introduced the [Social Security Benefits Tax Relief Act](#) (H.R. 2158) to repeal the 1993 income tax increase on Social Security benefits.

Rep. Mike Pence (R-IN) introduced the [Capital Gains Inflation Relief Act](#) (H.R. 1261) to index for inflation the cost basis taxpayers use in calculating their capital gains tax liabilities.

Rep. Tom Reynolds (R-NY) introduced the [Stealth Tax Relief Extension Act](#) (H.R. 1112) to increase the exemption from the Alternative Minimum Tax for individual taxpayers in 2007 (commonly known as the “AMT patch”). He increased the same bill for 2008 ([H.R. 5031](#)).

Rep. Ed Royce (R-CA) introduced the [AMT Rate Reduction Act](#) (H.R. 2253) to reduce to 24% the rate of the Alternative Minimum Tax (AMT) for individual taxpayers.

Rep. Paul Ryan (R-WI) introduced the [Generate Retirement Ownership Through Long-Term Holding Act](#) (H.R. 2796) to provide that no gain shall be recognized on the receipt of a capital gain dividend distributed by a regulated investment company, if such dividend is automatically reinvested in additional shares of the company pursuant to a dividend reinvestment plan.

Rep. Paul Ryan (R-WI) introduced the Roadmap for America’s Future Act ([H.R. 6110](#)) to, among other things, repeal the individual Alternative Minimum Tax (AMT); repeal the estate and gift taxes; replace the corporate income tax with a business consumption tax; make capital gains, dividends, and interest tax-free; and allow taxpayers to choose an alternative income tax system with two low rates and no special deductions.

Rep. Pete Sessions (R-TX) introduced the [EXPENSE Act](#) (H.R. 1250) to repeal the limitations on the expensing of depreciable (“Section 179”) business assets and allow taxpayers to elect a two-year recovery period for depreciable property.

Rep. Cliff Stearns (R-FL) introduced the [Simple Savings Tax Relief Act](#) (H.R. 228) to exclude from gross income up to \$800 of interest income annually.

Rep. Mac Thornberry (R-TX) introduced the [Death Tax Repeal Act](#) (H.R. 1586) to repeal the federal estate, gift, and generation-skipping transfer taxes.

Rep. Dave Weldon (R-FL) introduced the [Child Tax Credit Preservation Act](#) (H.R. 3135) to make permanent and index for inflation the increases in the child tax credit enacted by the Economic Growth and Tax Relief Reconciliation Act of 2001, the Jobs and Growth Tax Relief Reconciliation Act of 2003, and the Working Families Tax Relief Act of 2004.

Rep. Joe Wilson (R-SC) introduced the [Bonus Depreciation Extension Act](#) (H.R. 827) to extend, for two additional years, the bonus depreciation for certain investment property acquired after September 10, 2001 (30%); certain investment property acquired after May 5, 2003 (50%); and New York Liberty Zone property.

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