

Washington, DC - This afternoon the House passed H.R. 3996, the Temporary Tax Relief Act of 2007, which extends a one year tax shield on the alternative minimum tax. The extension will cut taxes for approximately 23 million families across America, including almost 15,000 in Texas's 20th Congressional District. The legislation, however, was amended by the Senate to remove pay-as-you-go budget rules that Congress enacted earlier this year.

Created in 1969, the AMT was originally enacted to ensure that all taxpayers, especially a small percentage of high-income taxpayers, pay at least a minimum amount of federal taxes. Since the AMT is not indexed for inflation, the potential impact of the tax could expand greatly next in the absence of a tax shield extension passed by Congress.

"While I am proud to have supported legislation that provides tax relief for almost 15,000 families in Texas's 20th Congressional District, I'm disappointed that we've accomplished this feat in a less than fiscally responsible manner. Unfortunately, Republican members of Congress joined the President in refusing to pay for the tax relief for 23 million middle-class Americans by closing loopholes in the tax code for wealthy hedge fund managers who take advantage of offshore tax shelters," said Congressman Charlie Gonzalez (TX-20). "The President and his followers have once again ignored our fiscal realities and responsibilities," he added.

H.R. 3996 increases the AMT exemption to \$66,250 for joint filers and \$44,350 for individuals. According to the House Committee on Ways and Means, 895 families in Texas's 20th Congressional District paid the alternative minimum tax in 2005. That number would increase by 1671% in 2007 to 15,848 in the absence of the extension authorized by H.R. 3996.

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