



March 5 , 2008

**An Open Letter to Congress:
Support H.R. 5104 and S. 2592, the “Economic Growth Act”!**

Dear Member of Congress:

On behalf of the 362,000 members of the National Taxpayers Union, I write to endorse H.R. 5104 and its Senate counterpart, S. 2592, both know as the “Economic Growth Act.” Introduced by Representative Scott Garrett (R-NJ) and Senator Jim DeMint (R-SC), respectively, these bills will not only provide legitimate short-term stimulus, they will also establish a strong base for economic prosperity well into the future by reducing and streamlining taxation.

The Economic Growth Act would dramatically simplify and lower taxes for both individuals and businesses. It would allow full and immediate expensing for the cost of assets, encouraging purchases that enable businesses to grow. In addition, the bill would immediately lower America’s inordinately high corporate tax rate from 35 percent to 25 percent, putting it roughly on par with the European Union average. It would also end the insidious practice of taxing inflationary gains on capital income. Finally, it would simplify the capital gains rate structure by applying the same 15 percent rate to both individuals and businesses.

This bill goes beyond the mere “reshuffling of deck chairs” represented by earlier legislative efforts. Instead of mindlessly targeting consumer spending, H.R. 5104 and S. 2592 focus on the real engine of economic expansion: investments. An environment in which investors experience higher returns will increase productive capacity, allowing businesses to expand and hire more workers.

Our high corporate tax rates and onerous business and capital gains provisions lead to higher prices for consumers, fewer jobs, and lower economic growth. Passage of the Economic Growth Act would go a long way toward remedying these problems. While not as politically appealing as dropping checks from the sky, this legislation establishes the kind of solid, fundamental tax policy that will stabilize the economy for the long haul.

We wholeheartedly support H.R. 5104 and S. 2592, the Economic Growth Act, and look forward to working with you to pass this important legislation. **Roll call votes on either bill will be heavily weighted in our annual Rating of Congress.**

Sincerely,

Andrew Moylan
Government Affairs Manager