

Washington, D.C. - U.S. Rep. David Price (D-NC) today supported a bill that protects hundreds of thousands of North Carolinians from a tax increase without adding to the national debt. The Temporary Tax Relief Act ([H.R. 3996](#)) would prevent the Alternative Minimum Tax (AMT) from hitting 23 million additional middle class American families next year. It would also extend a number of tax benefits to homeowners, parents with children in college, and small businesses. The vote was 216 to 193.

"Today the House made the right choice in shielding millions of American taxpayers from a major tax increase," Price said. "The AMT was never intended to hit middle class families, which is why it is so important that this bill be passed and signed into law. I call on the President and the Senate to cooperate with the House to resolve this critical issue as soon as possible."

The AMT was put into place in 1969 to ensure that the wealthiest Americans did not escape paying taxes altogether through myriad deductions and exemptions in the tax code. While the AMT was not aimed at middle-class Americans, the tax was not indexed for inflation. It has grown to be such a problem that it now threatens teachers and firefighters – a far cry from its original intent.

In North Carolina alone, 580,607 families would face a major tax increase next year if Washington doesn't act – a 729% increase from the number of NC families that currently pay the AMT. And in Congressman Price's 4th District, 75,701 families would face such an increase, up 474% from last year.

"Of all of North Carolina's congressional districts, the AMT would fall hardest on the taxpayers in the Triangle," Price added. "Those seventy-five thousand citizens in the Fourth District can rest easier knowing that we are working to prevent the AMT from hitting them next year."

In order to comply with pay-as-you-go rules, which Democrats have insisted upon following since taking control of Congress earlier this year, the Temporary Tax Relief Act would pay for the AMT fix by closing a loophole that allows private equity fund managers to pay a much lower capital gains rate of 15% on their income instead of the ordinary income tax rate. No other profession earning income through contingency fees enjoys such a low rate.

HOUSE BILL SAVES 580,607 NC TAXPAYERS FROM RATE INCREASE

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"While the President and Congressional Republicans have voted to patch the AMT for years by borrowing money against future generations of Americans, we are providing tax relief for the middle class in a fiscally responsible way," Price said.

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