



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Statement of Sen. Chuck Grassley, of Iowa  
Chairman, Senate Committee on Finance  
Mark-up of  
The Tax **RELIEF** – Restoring Earnings to Lift Individuals and Empower Families – Act  
Tuesday, May 15, 2001

Tax filing season was over a month ago, but the tax bite stings year ‘round. Never have taxes been so high, and never have Americans been so ready for tax relief.

Today this committee will mark up a historic bill that takes a substantial sting out of the federal tax bite. Before we get into the product, I want to say a little about the process of putting this legislation together.

First, this bill came together after Senator Baucus and I tried to hear out our respective caucus members about their priorities. You don’t put together the biggest tax cut in two decades without considering all the points of view.

Second, we wanted bipartisan agreement on a tax cut bill. We knew we wouldn’t get the people’s business done without a bipartisan agreement. That’s the reality of a 50-50 Senate.

It wasn’t easy to arrive at a final agreement. Working on this bill reminded me of a family farm. A father and son might farm together for many years. They might have different views on things, like whether the ground is too wet for planting corn. For the corn to get planted, they each have to give a little ground.

The same thing happened with writing this bill. Among this committee’s 20 members, there were many opinions on what’s important. In the end, no one got everything he or she wanted, including the chairman. But I think a lot of us got something we can support. I think we’ll ultimately cut taxes in a meaningful way, in a way that taxpayers will notice.

Of course, this committee is receiving criticism for both the process and the final product. Some people around here have been preaching bipartisanship. But then they turn around and attack the bipartisan compromise reflected in this bill. That begs a philosophical question for our members. Is bipartisanship appealing only when you get exactly what you want? I hope not. There’s a lot of room between a perfect dream and a nightmare.

So now let’s turn to what’s in this bill. This legislation includes individual tax cuts across the board, death tax relief, expanding the child credit, expanding the earned income credit, providing over 30 billion dollars in education incentives, and expanding pension protections. This bill will put a considerable amount of cash back in people’s wallets nationwide.

Here’s just one example. In 2002, a married couple with two children and \$15,000 income will pay no income tax. The family will receive \$4,008 from the earned income credit -- an increase of \$402 -- and a benefit from the expanded per-child credit of \$600. This family will receive a total cash influx of \$1,002.

