



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Statement of Chairman Chuck Grassley  
*The Restoring Earnings to Lift Individuals and Empower Families Act*  
Friday, May 11, 2001

Before we get into the product, I want to say a little about the process of putting this legislation together. In January, Senator Baucus and I set out to do two things. First, we each tried to hear out our respective caucus members on 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.

We spent time meeting with committee members one-on-one, in small groups, with the Centrist Coalition, in committee caucuses, and even with 19 of the 20 members at one point. And Senator Baucus and I met regularly with each other to compare notes. We found a lot of common ground.

It wasn't easy to arrive at a final agreement. I can vouch for the fact that among the 10 Republicans, there are many different points of view. In the end, no one got everything he or she wanted, including me. For example, I agree with President Bush that no one should pay more than a third of their income in federal taxes, but there's not enough support either in this committee or in the full Senate to lower the top rate to 33 percent.

So there's been some give and take. Most importantly, we're making progress. The tax RELIEF bill we're presenting today will return 1.35 trillion surplus tax dollars to the hardworking families who paid those taxes. Notwithstanding my commitment to debt reduction, I'd much rather have surplus tax dollars out of Washington and with the people who earned them. Over the last 10 years, payroll and corporate tax levels have stayed about the same. But individual income taxes have risen to historic highs. For the next 10 years, the non-partisan Congressional Budget Office says the federal government can expect to accumulate a \$5.6 trillion surplus.

So, there's room for debt reduction, funding important priorities, and tax relief. A \$1.35 trillion tax cut over the next 10 years is a spit in the ocean relative to the \$29 trillion the government expects to collect during the next decade. By reducing the tax burden, Congress can improve the quality of life of families working to make ends meet and clear the path to long-term economic growth.

Americans are ready for this. I've heard from many Iowans who support tax relief. Maurice Colby of Vinton is retired after processing wastewater for the Navy for 28 years. He works part-time for his neighbor, who is a farmer, during planting season. He does that to earn extra money. As retirees, Mr. Colby and his wife worry about expenses. Their total tax bite is tough, especially with heating fuel and gasoline prices so high. The Colbys usually take a driving vacation in the summer, but not this year. I think Mr. Colby summed it up for many other Americans when he said, "It's time for relief. It's been a long time."

Now, I'd like to turn over the podium to Sen. Baucus, and say that I appreciate very much his commitment to this bipartisan process and effective leadership for American taxpayers.