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VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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NEW STUDY SHOWS REPEAL OF TAX RELIEF WOULD COST TYPICAL FAMILY ABOUT \$5,000 OVER FOUR YEARS

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WASHINGTON, D.C. – The tax relief legislation passed in recent years has provided thousands of dollars in tax savings to typical families and should not be tampered with, Vice Chairman Jim Saxton said today in releasing a new study on the topic. The study, *Income Tax Savings for Middle-Income Families*, focuses on the impact of recent tax changes on four person, married couple families.

The new study finds that tax relief enacted since 2001 will provide such typical families with \$5,480 in total tax savings in tax years 2001-2004. If the tax relief legislation is repealed or permitted to expire, families all along the income spectrum face the prospect of considerably higher tax burdens. The study is based on an analysis of the 10 percent rate bracket, child credit, and marriage penalty relief -- provisions widely available to most taxpayers. Many families would be eligible for further relief under many provisions of the tax relief legislation, depending on a variety of circumstances.

“The JEC study I am releasing today estimates the tax savings of certain tax relief provisions on typical taxpayer families,” Saxton said. “The study finds that such families would receive \$5,480 in benefits in the four tax years ending in 2004. The study demonstrates that these benefits will be broadly available to families over a wide range of incomes. This tax relief should be made permanent, and not tampered with to fund yet more increases in government spending.

“Tax rate relief, investment incentives, and other provisions have played a significant role in boosting economic growth and improving the economic outlook, and these effects are documented in other JEC studies. In addition to these important macroeconomic benefits, the impact of the recent tax legislation on family finances is also significant,” Saxton concluded.

For more information on tax policy, please visit our website at www.house.gov/jec.

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