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CONTACT: John Kartch
Patrick Gleason

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202-785-0266

AMERICANS FOR TAX REFORM PRAISES BUSINESS INVESTMENT IN GROWTH PACKAGE

Partial expensing and increased small business expensing will help grow the economy

WASHINGTON, DC – Americans for Tax Reform today congratulated Congressional leadership and the White House on agreeing to a package of business investment tax cuts that will spur economic growth in 2008.

As part of the economic growth package agreement, policymakers have agreed to allow all businesses to expense, rather than slowly-depreciate, 50% of tangible personal property purchases made in 2008. In addition, small businesses will be able to expense up to \$250,000 of such purchases made this year.

“Unlike some other aspects of what’s been discussed, these tax cuts will go a long way toward growing the economy in 2008,” said ATR President Grover Norquist. “We saw in 2002 and 2003 that partial expensing spurred on business investment, and the increased small business expensing of the last few years has kept that momentum going.”

The package falls short of the “full expensing” effort that many have been advocating on Capitol Hill. Congressmen Scott Garrett (R-NJ) and Jeb Hensarling (R-TX) have introduced the “Economic Growth Act of 2008.” Among other robust permanent pro-growth tax measures, H.R. 5109 provides for immediate business expensing of all tangible property, including structures. Similar legislation is being introduced in the Senate by Jim DeMint (R-SC).

“It’s my hope that Congress will take this tax cut breakthrough as a starting point toward full and permanent business expensing,” continued Norquist. “The only fair way to treat all business purchases—from paperclips to computers to office buildings—is to let taxpayers expense their cost in year one. We look forward to working with the Congress and the Administration to make this common-sense reform a pro-growth reality.”

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact John Kartch at (202) 785-0266 or at jkartch@atr.org.

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