



AMERICANS FOR TAX REFORM

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Legislative Alert: Doggett Language in H.R. 2419, House Farm Bill, is a Violation of Taxpayer Protection Pledge

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As part of their “tax increase of the week” strategy, House Democrats have decided to raise taxes on companies that do business in the United States and hire U.S. workers. An amendment to H.R. 2419, the House farm bill, has been offered by Congressman Lloyd Doggett (D-TX). **Since this language takes away a net deduction from the U.S. corporate income tax, it represents a clear and unambiguous violation of the Taxpayer Protection Pledge.**

The Doggett language would prevent some companies located in the United States (and employing U.S. citizens) from taking all of the ordinary and necessary business deductions allowed to any corporation under tax law. This is a misguided attempt to micromanage—through tax increases—the global activities of companies. **The biggest losers will be the employees of these U.S. based plants and offices, who will bear the full cost if the Doggett language pushes these companies off-shore.** Foreign investment in the United States creates American jobs and strengthens economic growth. The Doggett language could lead to retaliatory tax increases by other nations, as well.

The Taxpayer Protection Pledge has been signed by 196 Congressmen, 42 Senators, and President Bush. Members of both parties have signed the Pledge. In part, it binds signers to “*oppose any net reduction or elimination of deductions and credits, unless matched dollar for dollar further reducing tax rates.*”

The most likely vehicle that the full House will have to vote on the Doggett language is the rule to H.R. 2419. **Therefore, ATR will rate against the rule on H.R. 2419**

ATR WILL RATE A VOTE AGAINST THE RULE TO H.R. 2419

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