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**PENCE URGES HOUSE TO EXTEND TAX RELIEF**

**Washington, Sep 23, 2004** - WASHINGTON, D.C. – Congressman Mike Pence today urged the House to pass the Working Families Tax Relief Act of 2004, an act aimed at extending several key provisions of previous tax-cutting measures. Pence’s comments follow:

“Easing the tax burden on families has long been a goal of mine in Congress and today we have an opportunity to do just that. By extending tax relief today, we can help families afford that dishwasher, car repair or college tuition tomorrow.

“The issue is clear. By allowing the American people to keep more of what they earn, our nation will continue to prosper.”

Background on Working Families Tax Relief Act of 2004:

Extends family tax relief provisions through 2010.

- Marriage penalty relief is extended.
- The expanded 10-percent income tax bracket is extended.
- The \$1,000 child tax credit is extended, and the higher 15-percent refundability rate is accelerated to the beginning of 2004.

Without action, families will face a \$109 billion tax increase over the next 10 years.

Provides assistance to military families in combat zones.

- Increases the child credit for military families by allowing them to include tax-free combat pay when calculating their refundable child credit.
- Increases the Earned Income Credit (EIC) for military families in 2004 and 2005 by giving them the option to include combat pay when calculating the EIC.

Provides an additional \$199 million of assistance to military families in combat zones.

Extends relief from the Alternative Minimum Tax (AMT) through 2005.

- The \$58,000 AMT exemption amount for married couples is extended for one year (through 2005). Without action, it will drop to \$45,000 next
- The \$40,250 AMT exemption amount for single individuals is extended for one year (through 2005). Without action, it will drop to \$33,750.

Without action, more middle income families will be pushed into the AMT resulting in a tax hike of \$23 billion over the next 10 years.

Creates a uniform definition of a child for tax purposes,

- Simplifies the Tax Code by adopting a uniform definition of a child for the dependency exemption, the child credit, the EIC, the dependent care credit, and head-of-household filing status.

Simplifies the Tax Code and provides \$1.5 billion of tax relief for families with children over the next 10 years.

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