



## League of Women Voters of Minnesota Records

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**Sally Sawyer**

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**From:** "LWVMN State Office" <office@lwvmn.org>  
**To:** "Nancy Witta" <nawit@usfamily.net>; "Andrea Lex" <alex@lwvmn.org>; "Connie Hondl" <conhondl@aol.com>; "Eydie Kargas" <ekargas@wavefront.com>; "Judy Duffy" <GandJDuffy@aol.com>; "Kathy Kolb" <kathyjokolb@aol.com>; "Laurie Boche" <labl@aol.com>; "Sally Sawyer" <ssawyer@lwvmn.org>; "Susan Anderson" <susan331@aol.com>  
**Sent:** Wednesday, April 11, 2001 1:45 PM  
**Subject:** Fw: Notification on Fair Taxes For All Coalition

----- Original Message -----

**From:** "Jodie Moxley" <jmoxley@LWV.Org>  
**To:** <ssawyer@lwvmn.org>; <office@lwvmn.org>; <kerickson@visi.org>  
**Sent:** Wednesday, April 11, 2001 12:55 PM  
**Subject:** FW: Notification on Fair Taxes For All Coalition

>  
>> -----Original Message-----  
>> **From:** Jodie Moxley  
>> **Sent:** Friday, March 23, 2001 5:02 PM  
>> **To:** LWV Arkansas-Brenda Thiel; LWV Arizona-Ann Eschinger; LWV  
>> California-Gail Dryden; LWV Colorado-Gerry Cummins; LWV Connecticut-Enid  
>> Oresman; LWV Delaware-Anita Puglisi; LWV Florida-Sandy Sheets; LWV  
>> Georgia-Beth Nathan; LWV Illinois-Jan Flapan; LWV Indiana-Harriet  
>> Wilkins;  
>> LWV Iowa-Gail Quinn; LWV Louisiana-Norma Gavin; LWV Maine-Sarah Walton;  
>> LWV Michigan-Patrica Donath; LWV Minnesota-Judy Duffy; LWV  
>> Missouri-Deborah Waite; LWV Montana-Sara Busey; LWV Nebraska- Lois  
>> Poppe;  
>> LWV New York-Elsie Wager; LWV New Jersey-Sandra Matsen; LWV Ohio-Janice  
>> Patterson; LWV Oregon-Paula Krane; LWV Pennsylvania-Mary Etezady; LWV  
>> Rhode Island-Hollie Courage; LWV South Dakota-Pauline Poletes; LWV South  
>> Carolina-Laurel Suggs; LWV Tennessee-Sharon Fidler; LWV Vermont-Marge  
>> Gaskins; LWV Washington-Elizabeth Pierini  
>> **Subject:** Notification  
>>  
>> **To:** Targeted State Leagues  
>>  
>> **From:** Jodie Moxley, National Grassroots Lobbying Coordinator  
>>  
>> **Date:** March 23, 2001  
>>  
>> **Re:** Tax Policy and the President's Proposed Tax Cut  
>>  
>> Tax policy is a legislative priority for the LWVUS this year. Under the  
>> LWVUS fiscal policy position (see below), we are lobbying actively  
>> against  
>> President Bush's proposed tax cut plan. We believe that the proposed  
>> tax  
>> cut package, major portions of which recently passed the House, is both  
>> inequitable and regressive.

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>> The LWVUS has joined with other concerned organizations in the "Fair Taxes

>> for All" coalition to urge the Senate to act responsibly and vote against

>> this regressive tax package. The "Fair Taxes For All" coalition includes

>> hundreds of civil rights, labor, environmental, disability and religious

>> organizations that have come together in agreement on three basic

>> principles. The "Fair Taxes for All" principles are:

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>> 1. The tax cut proposed by President Bush is far too large and

>> fundamentally unfair.

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>> 2. The Bush tax cut jeopardizes the nation's ability to meet its domestic

>> and foreign responsibilities, threatens the nation's fiscal stability and

>> security, and inequitably distributes the benefits it provides.

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>> 3. Any tax cut enacted into law must be far smaller and much more

>> equitable than the Bush tax cut in order to meet the needs and interests

>> of the American people.

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>> Coalitions are being organized in key states by the "Fair Taxes for All"

>> coalition. You should feel free to join the state coalition and

>> participate in its activities. We would be happy to consult with you

>> about coalition activities in your state. Since tax cut legislation is

>> moving at a quick pace, we ask that you consider the following coalition

>> activities in key states:

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>> 1. Submitting op-eds to local papers

>> 2. Letters-to-the-editor

>> 3. Calling in to talk radio shows

>> 4. Attending town meetings and district visits with Senators during

>> Spring recess

>> (April 7-April 22)

>> 5. Postcard campaign

>> 6. State-wide coalitions

>> 7. Press conferences

>> 8. National action day on April 11, 2001 (the coalition will be holding

>> events in various cities across the country)

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>> The following states are targeted (29 total): Arizona, Arkansas,

>> California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois,

>> Indiana, Iowa, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana,

>> Nebraska, New York, New Jersey, Ohio, Oregon, Pennsylvania, Rhode

>> Island,

>> South Dakota, South Carolina, Tennessee, Vermont and Washington.

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>> Please send me the name and contact information of a League

representative

>> who is interested in working on this issue. I will be forwarding this  
>> information to the lead coalition coordinator in your state. Also,

please

>> forward any information about your Senator's schedule during the Spring  
>> recess (April 7 - April 22) i.e. town hall meetings and appearances. I  
>> will share this information with the coalition to coordinate grassroots  
>> activities. Should you have any questions, or need additional  
information,

>> please contact me at 202.263.1328 or [jmoxley@lwv.org](mailto:jmoxley@lwv.org).

>>

>> To see how your state will be affected by the proposed tax cut, go to:

>> <http://www.cbpp.org/3-6-01tax-pr.htm>

>>

>> LWVUS Fiscal Policy/Tax Policy Position

>>

>> The League of Women Voters of the United States believes that federal  
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- >





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Sally  
Kay  
Carol  
FY1

THE DIRECTOR

April 18, 2001

RECEIVED APR 23 2001

Ms. Judy Duffy  
President  
The League of Women Voters  
of Minnesota  
550 Rice Street  
St. Paul, MN 35103

Dear Ms. Duffy:

Thank you for your thoughtful letter to President Bush urging support for a FY 2002 Budget for the Department of Housing and Urban Development (HUD) that continues building communities and providing homes for all people, especially those who are poor. As the President's Budget Director, I am pleased to provide details on his 2002 Budget request for HUD, as released on April 9, 2001.

Department of Housing and Urban Development  
(Billions of dollars)

	FY 2000	FY 2001	FY 2002
<u>Budget Authority</u>	<u>Actual</u>	<u>(Enacted)</u>	<u>Pres.</u>
			<u>Request</u>
Discretionary Programs/ Appropriations	20.3	28.5	30.4

As shown above, the President requests an increase in new spending authority (Budget Authority) for HUD, from \$28.5 billion in 2001 to \$30.4 billion in 2002. This will continue funding for most programs, expand funding for key programs, and provide sensible reductions in duplicative or ineffective programs.

The increase includes funds for renewal of a larger number of rental assistance contracts. As you urged, the renewals will assure continued assistance without interruption for all currently assisted low-income families as well as assistance of other families when current families no longer need assistance. In addition, the President proposes to expand housing assistance for poor families by adding 34,000 new housing vouchers in 2002. The President proposes \$200 million to match downpayment assistance to help more than 130,000 low-income families overcome their greatest obstacle to homeownership.





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Not all programs in HUD are expanded. Funding provided in 2001 for projects proposed by individual Congressional members for their districts is eliminated. We maintained funding at last year's levels for HUD's formula block grants to Mayors and Governors for community development and housing.

The Budget includes several homeownership initiatives. One of these is a new hybrid adjustable rate mortgage for the Federal Housing Administration (FHA). This will provide loans to low-income families at more affordable interest rates. The Budget also will give local Public Housing Authorities the option to let low-income families who hold housing vouchers use up to one-year's worth of housing assistance for the downpayment on a home, or to use their housing vouchers to make ongoing mortgage payments.

Funding for the operation of public housing programs is increased. New funds are requested to repair public housing. However, the Budget proposes the elimination of future funding for the public housing drug elimination program, which has been relatively ineffective.

The President's Budget also includes a proposed new tax credit to spur homeownership and affordable housing. The credit would produce 100,000 homes for purchase by low-income households over a five-year period.

Secretary Martinez is working with local and state officials, non-profit groups, faith-based organizations, low-income housing advocates, and industry groups to expand the supply of affordable housing. Working together, we can give achieve this goal. We can give more Americans the opportunity to own a home, and empower communities across the country so that every neighborhood, every child, every citizen can enjoy the promise of this great nation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mitchell Daniels". The signature is fluid and cursive, with a large initial "M" and a stylized "D".

Mitchell E. Daniels, Jr.  
Director

# NEWS RELEASE



AMERICAN  
ASSOCIATION OF  
UNIVERSITY  
WOMEN

FOR IMMEDIATE RELEASE  
April 11, 2001

Contact: Linda Thielbar  
651/388-4482

## AAUW OPPOSES BUDGET RESOLUTION WITH TAX CUT INCLUDED

### Statement of Linda Thielbar, AAUW Leadership Director

"The American Association of University Women (AAUW) of Minnesota, comprised of 3,000 members—both Republicans and Democrats, strongly believes that the race to pass a large tax cut is reckless and irresponsible. Further, such a sizeable tax cut could squander an historic opportunity to use a portion of the surplus to address unmet critical needs of American families, including shoring up Medicare and Social Security, and improving public education.

Senate leadership is rushing to pass a tax cut without first looking at the complete budget proposal and without allowing for a full debate. Too much is at stake to cut the debate short using arcane parliamentary procedures – the American people deserve a full discussion on *all* of the issues related to the tax cut.

If a sizeable tax cut is included in the budget resolution and enacted, this will severely restrain and likely reduce spending for many critical domestic discretionary spending programs. AAUW believes that resources from the surplus must be set aside to restore the long-term solvency of Social Security and Medicare. Further, AAUW supports using a portion of the surplus to provide for increased retirement security for low-income workers and a prescription drug benefit for Medicare recipients. Until the determination is made as to how to invest in quality public education and secure the long-term solvency of Social Security and Medicare, the Senate should not pass a budget resolution that assumes enactment of this massive tax cut.

AAUW urges senators to oppose the budget resolution if it contains President Bush's large tax cut. The Administration's proposal to cut taxes deserves a full and open Senate debate. There is too much at stake."

*Doyle Cut*  
*OWL - medicare - SS.*  
*Serra Club - union - water - sewage (Cut 6.4%) and enforcement*  
*AFSCME - Steve Hunter - ? the amt of surplus - inequity - SS/medicare*  
*prescription - housing - nursing homes - travel debt*  
*non housing Partnership - Rachel - housing - econ vitality*  
*Children's Defense Fund - Jim Koppel - Tax credit doesn't touch*  
*160 million children in U.S. in low income families*  
*non Budget Project (non Council of Nonprofits) non Madden - unbalanced*  
*\$1.6 trillion would actually cost \$3.2 trillion - relies on*  
*surplus which is questionable*  
 ###

AAUW, representing 150,000 college graduates and more than 1,500 branches, is the nation's leading advocate for education and equity for women and girls. Please visit our web site at [www.aauw.org](http://www.aauw.org) for more information.

## **Minnesota Citizens for Tax Justice**

175 Aurora Ave.  
St. Paul MN 55435  
651/227-7647

For Immediate Release: April 11, 2001  
Contact: Wayne Cox, Executive Director  
651/227-7647 or 952/841-9025 (home)

### **Median Bush Tax Cut is \$598 in Minnesota**

Minnesota taxpayers would receive a median tax cut of \$598 annually when fully phased in under the proposed tax cut plan of President Bush, a report released today by Citizens for Tax Justice of Washington D.C. indicated. One out of five Minnesota taxpayers would receive no tax cut at all.

The median figure means half of taxpayers would receive a tax cut higher than that figure, and half would receive a cut lower than that figure. Sixteen states would receive a higher median cut. The Minnesota cut would be eight percent higher than the national median.

The report also found Minnesotans would receive an average tax cut of \$1,159, three percent below the national average of \$1,201. Minnesota would be the 20th highest state in average tax cut.

"The median figure is the more useful figure for most taxpayers because a much smaller number of taxpayers will actually reach the average figure," Cox said. "The cuts as a percentage of income are much smaller for modest and middle income families than for high income families.

"Proponents of the Bush tax plan argue 'a typical family of four would receive \$1,600 a year under the plan.' Actually, 90 percent of Minnesota families would receive tax cuts lower than that level. Ironically, many families of four would receive no tax cut at all because the proposed child credit is not refundable."

Cox listed other concerns with the plan:

- Its net price tag of \$2.6 trillion would jeopardize current services, future commitments to Social Security and Medicare and debt repayment. The result could trigger high interest rates that could harm the economy and taxpayers' pocketbooks.
- There are better tax cut alternatives that are fiscally manageable which direct more tax cut dollars to those with middle incomes and below.

Press Conference  
April 11 at 11 am  
Minnesota Women's Building  
550 Rice St.  
St. Paul, MN 55103

American Association of University Women, Linda Thielbar, 1-651-388-4482  
League of Women's Voters, Kay Erickson, 651/224-5445  
National Organization for Women, Kathy Arends, 612/348-8550  
MN Housing Partnership, Rachel Callahan, 649-1710 ext. 107  
Older Women's League, Kay Taylor, Nora Novak, 651/228-9990  
Children Defense Fund, Jim Koppel, 651/227-6121  
United Auto Workers, Dan St. Clair, 952/854-5323  
Council of Non-Profits, Nan Madden, 651/ 642-1904  
YWCA St. Paul, Linda Garrett Johnson (Dir. of Youth Dev), 651/222-3741  
Sierra Club, Claude Hanson, 612/379-3953  
AFL-CIO, Bernie Brommer, 651/227-7647  
AFSCME, Steve Hunter, 651/451-7678 -  
US Action, Sharon Bowman 686-7552  
Citizen's For Tax Justice, Wayne Cox, 651/227-7647  
Common Cause, Bruce Miller, 651/644-1844





## News Release

April 11, 2001

Contact: Nan Madden, Minnesota Budget Project Director  
(651) 642-1904 x30 / (612) 539-8742 (pager)

# Bush Tax Cut Proposal Leaves Out Many Working Families

## One in Five Minnesota Families Would Receive No Tax Relief

Under the Bush tax cut plan, 134,000 Minnesota families including 297,000 children would receive no tax relief, according to an analysis by the Center on Budget and Policy Priorities. This represents 20% of all Minnesota families and 22% of all Minnesota children. 75% of these families are working families.

Although state-level figures are not available, national data show that Black and Hispanic families are disproportionately left out. Under the Bush proposal, 53% of black non-Hispanic families with children in the U.S. and 53% of Hispanic families with children will receive no tax cut. Of these, 72% of black families and 79% of Hispanic families include a worker.

Who are these left-out families? A married couple with two children would need to have earnings of \$25,867 before receiving any tax relief under the Bush tax cut plan, and a single parent with two children would need to earn \$22,017. If families have child care costs and are taking advantage of the federal dependent care credit, their incomes would have to be even higher to receive any relief. A married couple with two children with \$400 a month in child care expenses would have to earn \$32,267 to receive any tax relief, and a single-parent with the same child care costs \$28,417. These families *are* federal taxpayers, even if they do not have income tax liability. For example, a married couple with two children earning \$25,000 pays net payroll taxes of \$2,325.

## Impact of Tax Cuts

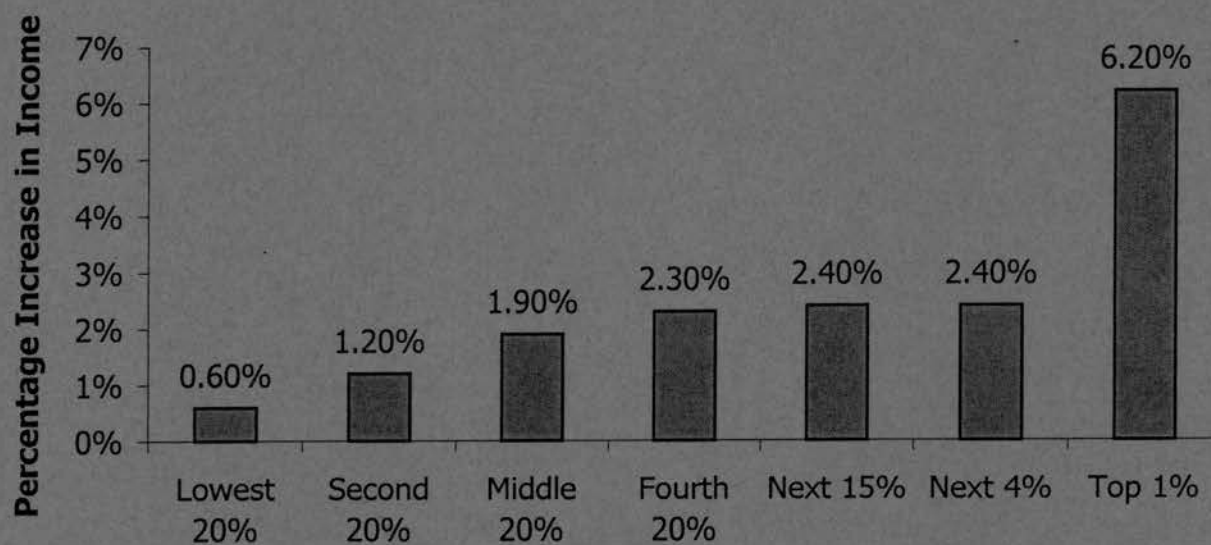
Proponents of the Bush tax cut plan claim that the "typical" American family of four will receive a tax cut of \$1,600. In fact, 85% of all families would receive less than \$1,600 in tax cuts, as shown in the following table.

Table 1: Average Tax Cuts by Income Group			
Income Group	Income Range	Average Income	Average Tax Cut
Lowest 20%	Less than \$15,000	\$9,300	\$47
Second 20%	\$15,000 - \$27,000	\$20,600	\$212
Middle 20%	\$27,000 - \$44,000	\$34,400	\$509
Fourth 20%	\$44,000 - \$72,000	\$56,400	\$951
Next 15%	\$72,000 - \$147,000	\$97,400	\$1,523
Next 4%	\$147,000 - \$373,000	\$210,000	\$2,356
Top 1%	\$373,000 or more	\$1,117,000	\$54,480
All		<b>\$57,800</b>	<b>\$1,203</b>

Source: Institute on Taxation and Economic Policy (ITEP) Tax Model.<sup>1</sup>

Tax cuts are sometimes described in terms of letting families "keep more of their own money." However, under this proposal, those with more money get to keep a larger percentage, as shown when the tax cuts are measured as a percentage increase in income.

**Graph 1: Tax Cuts as a Percentage Increase in After-Tax Income**



Source: Center for Budget and Policy Priorities.

<sup>1</sup> The calculations in table 1 represent the amount of tax cuts measured in 2001 dollars when the Bush tax cut plan is fully in place. Citizens for Tax Justice, [www.ctj.org](http://www.ctj.org).



## Bush Tax Cut Proposal Leaves Out Many Working Families

Tax cuts under the Bush plan are not in proportion to the percentage of federal taxes paid. The richest 1% of taxpayers pay 20% of all federal taxes, but receive 36% of cuts under this plan; and similarly, the richest 5% pay 36.5% of federal taxes, but receive 49% of the tax cuts.

The distribution of tax cuts raises the question about why tax relief under the Bush plan falls so heavily on the upper end of the income range. There are several reasons why this is so.

- The plan does not provide tax relief to families without federal income tax or estate tax liability, although these families have significant federal tax burdens. The payroll tax, which is the largest tax for 3 out of 4 American families, is unchanged by this proposal.
- The proposed increase in the child credit actually provides the biggest benefit for taxpayers with incomes over \$130,000, who currently do not receive the credit. Many families with children will see little additional benefit from the increase because the child credit is not refundable — it can only offset existing tax liability. The proposal does not extend the child credit to low-income families who currently do not benefit from it.
- The new 10% tax bracket and the child tax credit increase only make up one-third of the cost of total tax package. The remaining provisions (elimination of the estate tax and reduction of higher tax rates, which exclusively help upper-income taxpayers), account for the majority of tax cuts when the plan is fully phased in.
- Although low-income working individuals face the most serious marriage penalties, the Bush plan does not provide any marriage penalty relief for lower-income individuals. In this respect, the Bush plan is different from every major tax bill introduced by both parties in last one and a half years.

### **Bush's Tax Plan Spends More Than is Fiscally Responsible**

Although the ten-year price tag for Bush's tax cut is often described as \$1.6 trillion, new estimates by the Joint Tax Committee describe it as \$2.2 trillion. This is due not only from updated cost estimates of the rate reductions, but also from changes made to the proposal in the House of Representatives, and additional interest costs.

## Bush Tax Cut Proposal Leaves Out Many Working Families

A tax cut of this size is not fiscally responsible. The Congressional Budget Office (CBO) projects a surplus of \$2.7 trillion over 10 years (excluding Social Security and Medicare). However, CBO data suggests that there is a 35% chance that the surplus will be only one-half as large as projected, and a 20% chance that there will be no surplus at all. Given the uncertainty about whether the surplus will materialize, it seems unwise to spend such a large portion of it on tax cuts.

A longer analysis of the Bush tax cut plan is available from the Minnesota Budget Project at [www.mncn.org/bp/bushtax.htm](http://www.mncn.org/bp/bushtax.htm). Except where otherwise noted, the data in this release comes from the Center on Budget and Policy Priorities, [www.cbpp.org](http://www.cbpp.org).

# # #