

Congress of the United States

Washington, DC 20515

December 2, 2010

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
United States Capitol
H-332
Washington, DC 20515

Dear Speaker Pelosi,

We strongly support efforts to provide permanent tax relief to middle class families, and we appreciate your efforts to bring this critical legislation to the floor today. However, we also believe that it makes sense to protect economic recovery by, in addition to making these tax cuts permanent for the middle class, temporarily extending tax cuts for other taxpayers for one year.

Given the limited time available before families and small businesses will see their tax burden increase on January 1, 2011, we appreciate the need to act quickly to bring this legislation to the floor. However, we would have preferred that this critical legislation be brought to the floor under a rule that would have allowed us to offer an amendment temporarily extending the income tax cuts for individuals making over \$200,000 and families making over \$250,000 for one year. We have heard from a diverse spectrum of economists, small business owners, and families who have voiced concerns that raising taxes right now could negatively impact economic growth.

Given the continued fragility of our economy and slow pace of recovery, we share their concerns. As we approach the end of 2010, families and businesses are planning their budgets for the coming year. A one year extension of all income tax rates and a permanent extension for individuals making under \$200,000 and families making under \$250,000 would provide families and businesses the certainty required to plan and make sound budget decisions. Providing this certainty will give small businesses, the backbone of economic recovery, confidence and stability.

While those in the highest income brackets comprise only two to three percent of American taxpayers, economists estimate that they are responsible for 25 percent of national consumer spending. As retailers and other businesses continue preparations for the holiday season, and employers make seasonal staffing decisions and consider possible raises and holiday bonuses for their employees, now is the time for action. We urge you to find ground for compromise, and believe that our proposal would be a reasonable, satisfactory outcome that would prevent a tax increase while our economy continues to recover while not adding extensively to our budget deficits.

A one year extension of all income tax rates and a permanent extension for individuals making under \$200,000 and families making under \$250,000 would provide certainty while still being fiscally responsible. All tax cuts can be extended without violating statutory PAYGO. Paying for a short-term extension of the high-income brackets is possible without accruing new debt by using existing surplus funds identified on the PAYGO scorecard, while the PAYGO law already allows for the middle class tax cuts to be extended.

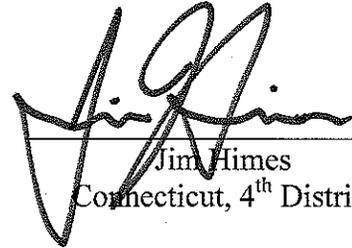
We urge quick passage of legislation to extend all the tax cuts temporarily and to extend them for middle-class families and individuals permanently so that families and businesses have the certainty required to plan and make informed decisions. Americans are looking for bipartisan solutions, and we believe that we should pass legislation that attempts to bridge the partisan divide on this issue. The sooner we act, the sooner our nation's economy will benefit.

We look forward to working with you on this important issue.

Sincerely,



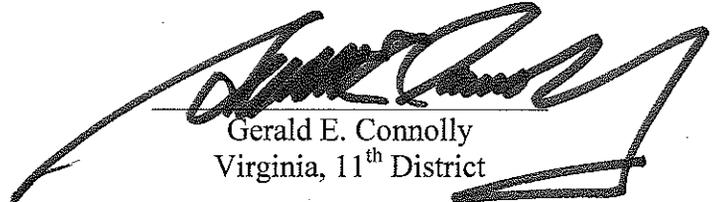
Gary D. Peters
Michigan, 9th District



Jim Himes
Connecticut, 4th District



Jason Altmire
Pennsylvania, 4th District



Gerald E. Connolly
Virginia, 11th District