

NEWS RELEASE

Associated Builders and Contractors

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ABC OPPOSES CLINTON TAX RELIEF VETO

(Washington, DC) -- September 23, 1999 -- Associated Builders and Contractors today soundly criticized President Clinton for vetoing the Taxpayer Refund and Relief Act of 1999.

“There were many provisions in this tax bill that would have helped small businesses and individuals in many ways,” said ABC National President David M. Bush. “Our members are extremely disappointed that President Clinton chose to prevent a refund of tax overcharge in order to keep the money in Washington and increase government spending.”

ABC was especially incensed that taxpayers will continue to suffer from the death tax.

“Elimination of the death tax is pro-family, pro-growth and pro-business,” said Bush. “Small contractors work hard to build a family business, but when faced with death, must consider giving pink slips to loyal employees or sell the business simply to pay yet another exorbitant federal tax.”

A full third of small-business owners will have to liquidate all or part of their firms to pay death taxes. Half of those who liquidate to pay the tax collectors will each have to eliminate 30 or more jobs. Over 70% of family businesses do not survive the second generation, and 87% never make it to the third.

ABC also supported several other of the tax bill’s provisions, to help individuals and small businesses prosper, including: a broad-based income tax reduction, a capital gains tax deduction for individuals, health care tax deductions, individual alternative minimum tax relief, increased contribution limits to IRAs and phased-in repeal of the Temporary Federal Unemployment surtax.

“Here was a real opportunity for Washington to nurture rather than punish small businesses,” said Bush, “and that opportunity has been blown away by the stroke of a pen.” Bush added that ABC will continue to encourage Congress to enact similar tax relief measures. “This veto blocks the most significant tax relief for working families in over 18 years. It opens the door for more government spending. Just take a look back at Clinton’s 2000 budget proposal calling for 80 new government programs, exceeding the Balanced Budget agreement by \$41 billion and adding \$13 billion in higher taxes and user fees. We must provide tax relief to all American taxpayers and encourage economic growth and job creation.”

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Associated Builders and Contractors is a national association representing more than 21,000 merit construction and construction-related firms in 83 chapters across the United States.