

Murphy Supports Tax Cut for Middle Class Families

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WASHINGTON, D.C. – Today, Congressman Chris Murphy (CT-5) voted in favor of a tax code fix that will save 23 million Americans, including more than 72,000 in Connecticut's Fifth District, from being hit with the Alternative Minimum Tax (AMT) this year, which is causing an undue tax burden on middle class families. The bill, H.R. 3996, the Temporary Tax Relief Act of 2007, also included several tax break extenders that were part of legislation that Murphy introduced on his own.

"Today, we saved thousands of middle class Connecticut residents from an unfair, massive tax increase. It's been a challenge to reverse more than a decade of fiscal irresponsibility here in Washington, but slowly we are making progress," said Murphy.

The AMT needed to be fixed for this year as the number of Fifth District families falling into this tax category is about to jump 424% from 2005. This tax was originally intended to ensure that wealthier Americans were not avoiding paying their share of income tax. Instead, it is catching more and more working families in an unfair tax liability.

To address the needs of Connecticut families and small businesses, Murphy has introduced two tax cut measures. One, the Middle Class Tax Relief Act of 2007, is intended to provide relief to middle class families by making several tax cuts permanent. The second bill, the Small Business Tax Relief Act of 2007, is aimed at making some small business tax cuts permanent. Many of Murphy's provisions were extended by one year in the bill the House passed today, including:

- A deduction for qualified tuition and related expenses;
- The research and development credit;
- A deduction for state and local sales tax;
- The new markets tax credit;
- A 15-year cost recovery for qualified improvements on leased buildings and restaurants;
- And a credit for the expensing of "brownfields" environmental remediation costs.

"Thanks to the input of small business owners and people across the Fifth District, I was able to introduce legislation that resulted in action in Washington. I will continue to work on your behalf to make our tax structure a little fairer for middle class families," said Murphy.

The Temporary Tax Relief Act of 2007 also included a one year extension of the child credit and an additional standard deduction for State and local property taxes.

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