

Coalition Against Regressive Taxation

430 First Street, S.E.
Washington, D.C. 20003
(202) 544-6245

August 7, 1986

IDENTICAL TEXT SENT TO ALL
HOUSE MEMBERS

The Honorable Gary L. Ackerman
U.S. House of Representatives
Longworth House Office Building
Room 1725
Washington, DC 20515

Dear Mr. Ackerman:

The Coalition Against Regressive Taxation (CART) was formed in March 1986 to oppose excise tax and tariff increases proposed as part of tax reform. CART's efforts attracted enormous support in both Houses that led to abandonment of these proposals in the Finance Committee.

Given that outcome, we are dismayed to see the same or similarly inequitable ideas return just five months later. The specific threat that prompts this letter is an amendment that may be offered to the reconciliation bill to raise \$2 billion by increasing the cigarette tax 50%, quadrupling the wine tax, and speeding up collection of wine, beer, and tobacco taxes.

These changes would undermine the current effort of tax reform conferees to provide maximum relief to the poor and middle class. This is because excise tax burdens fall hardest on low-income taxpayers. For instance, families with income below \$10,000 pay nearly 16% of tobacco excise taxes although they receive only 4% of total income.

CART represents a wide variety of industries in agriculture, manufacturing, transportation, wholesaling, and retailing. (A list of the signers of CART's April 15 letter to the Senate is enclosed.) These firms remit a large proportion of the more than \$30 billion in excise taxes levied by the federal government. We know first hand the burden these taxes place on workers and owners, especially in small businesses, as well as consumers.

We are equally concerned about possible increases in other major excise taxes, such as those on motor fuels, beer, or distilled spirits. Any of these changes would be unfair to consumers and to affected industries.

I urge you to vote against any proposals to reduce the deficit through increases in excise taxes. Please call if you would like further information.

Sincerely,



Thomas J. Donohue
President and Chief Executive Officer
American Trucking Associations

President
Coalition Against Regressive Taxation

Coalition Against Regressive Taxation

430 First Street, S.E.
Washington, D.C. 20003
(202) 544-6245

August 7, 1986

IDENTICAL TEXT SENT TO ALL
HOUSE MEMBERS

The Honorable Gary L. Ackerman
U.S. House of Representatives
Longworth House Office Building
Room 1725
Washington, DC 20515

Dear Mr. Ackerman:

The Coalition Against Regressive Taxation (CART) was formed in March 1986 to oppose excise tax and tariff increases proposed as part of tax reform. CART's efforts attracted enormous support in both Houses that led to abandonment of these proposals in the Finance Committee.

Given that outcome, we are dismayed to see the same or similarly inequitable ideas return just five months later. The specific threat that prompts this letter is an amendment that may be offered to the reconciliation bill to raise \$2 billion by increasing the cigarette tax 50%, quadrupling the wine tax, and speeding up collection of wine, beer, and tobacco taxes.

These changes would undermine the current effort of tax reform conferees to provide maximum relief to the poor and middle class. This is because excise tax burdens fall hardest on low-income taxpayers. For instance, families with income below \$10,000 pay nearly 16% of tobacco excise taxes although they receive only 4% of total income.

CART represents a wide variety of industries in agriculture, manufacturing, transportation, wholesaling, and retailing. (A list of the signers of CART's April 15 letter to the Senate is enclosed.) These firms remit a large proportion of the more than \$30 billion in excise taxes levied by the federal government. We know first hand the burden these taxes place on workers and owners, especially in small businesses, as well as consumers.

We are equally concerned about possible increases in other major excise taxes, such as those on motor fuels, beer, or distilled spirits. Any of these changes would be unfair to consumers and to affected industries.

I urge you to vote against any proposals to reduce the deficit through increases in excise taxes. Please call if you would like further information.

Sincerely,



Thomas J. Donohue
President and Chief Executive Officer
American Trucking Associations

President
Coalition Against Regressive Taxation