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H. RES. 13

Expressing the sense of the House of Representatives that Federal excise tax rates should not be increased.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1991

Mr. NEAL of North Carolina submitted the following resolution; which was referred to the Committee on Ways and Means

RESOLUTION

Expressing the sense of the House of Representatives that Federal excise tax rates should not be increased.

Whereas the Federal Government imposes excise taxes on a variety of items, including cigarettes, wine, beer, distilled spirits, gasoline, telephone services, and air transportation;

Whereas Federal excise tax revenues were \$36.8 billion in 1988 which was 3.9 percent of all Federal revenues for that year;

Whereas State governments depend heavily on excise taxes to finance essential services, and increases in Federal excise taxes during this decade have (by reducing consumption) already reduced State revenues by \$3.7 billion and will cost them that much again before 1992;

Whereas Federal excise taxes are imposed on transactions regardless of the income levels of the consumers and as such

are regressive taxes which cause economic hardships to those least capable of paying additional taxes;

Whereas the Tax Reform Act of 1986 was designed to assist low and middle income taxpayers and any increase in excise tax rates would directly contradict the intent of that Act;

Whereas increasing selective taxes such as excise taxes is bad budgetary policy in attempting to meet the deficit reduction targets; and

Whereas no sound policy basis exists to support proposals to increase the current Federal excise tax rates: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Repre-
2 sentatives that Federal excise tax rates should not be in-
3 creased.

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