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Congressman: Bush stimulus package 'a complete failure'

● Maine's representatives and senators all oppose one major aspect of it: repeal of the corporate alternative minimum tax.

The Associated Press

U.S. Rep. Tom Allen on Tuesday urged Mainers to speak out against an economic stimulus package approved by the House and supported by President Bush in the wake of terrorist attacks.

Speaking at the Portland International Jetport, Allen said he was especially concerned about the corporate alternative minimum tax.

The plan that narrowly passed the House would repeal the tax and return \$25 billion to a number of major corporations. Topping the list was IBM, followed by Ford Motor Co., General Motors and General Electric.

"This has nothing to do with economic stimulus," Allen said later. "This is just money going to major corporations."

Allen, D-Maine, made his remarks as the Senate prepared to take up a \$66.4 billion Democrat-backed stimulus plan. It, like a Republican proposal, appeared to lack enough support to pass the full Senate.

Sens. Olympia Snowe and Susan Collins, both Republicans, oppose the

repeal of the corporate alternative minimum tax. Both are working with centrist lawmakers to come up with a compromise in the Senate.

Without the tax, corporations would use loopholes to avoid paying taxes at all, said Felicia Knight, Collins' spokeswoman.

In Portland, Allen used a chart to show that \$7.4 billion to be returned to 16 corporations is roughly the amount that the House Democratic Caucus wants to spend to protect the nation from a biological attack.

For example, the \$1.4 billion that would be refunded to IBM amounts to the same level House Democrats want to spend for buying and researching vaccines and antibiotics, said Allen.

Bush has four main priorities: a repeal of the corporate alternative minimum tax; a new round of rebate checks aimed at lower-income workers; acceleration of income tax cuts now scheduled to take effect in 2004 and 2006; and enhanced expensing write-offs for business investment.

The House bill reflects those priorities, but GOP leaders added other Republican tax-cut priorities like capital gains tax relief.

Both Allen and Maine's other congressman, Rep. John Baldacci, also a Democrat, voted against the House measure. Allen called it a "complete failure."



Staff photo by John Ewing

U.S. Rep. Tom Allen, D-Maine, points to a chart listing proposed security expenses at a press conference Tuesday.