

October 31, 2007

Dear Senator/Representative:

This year, the House and Senate both made a significant and praiseworthy commitment to fiscal responsibility by renewing pay-as-you-go (PAYGO) rules requiring that tax cuts or entitlement spending increases be paid for with offsetting revenue increases or entitlement cuts. The undersigned organizations believe reinstating PAYGO is one of the cornerstone achievements of this Congress, and strongly urge you to hold fast to PAYGO as you move forward on a patch for the Alternative Minimum Tax (AMT).

PAYGO was part of the formula that successfully reined in deficits in the mid-90s and promoted a pro-growth environment that resulted in an extremely robust economy. Unfortunately, PAYGO rules were allowed to lapse for years by previous Congresses, during which time a projected ten-year \$5.6 trillion surplus disappeared and was replaced by a budget deficit of more than \$2 trillion.

While this stunning and rapid reversal in our nation's finances is troubling enough, the greater dilemma lies ahead as we endeavor to keep our promises to America's retiring baby boomers, give future generations of Americans an opportunity to enjoy a greater standard of living, and shoulder the growing financial burden of \$9 trillion in debt. While PAYGO will not solve these problems on its own, it will be difficult if not impossible to meet these challenges without it.

As you consider an AMT patch for tax year 2007, we urge you to remain true to the principles of fiscal responsibility, to remember your actions on this matter will affect more than one generation of taxpayers, and to adhere to PAYGO.

Respectfully,

American Academy of HIV Medicine
American Association of University Women
American Federation of State, County, and Municipal
Employees
American Federation of Teachers
Business Leaders for Sensible Priorities
Children's Defense Fund
Citizens for Tax Justice
Easter Seals
Families USA
Minnesota Council of Nonprofits
National Committee to Preserve Social Security and
Medicare
National Council of Nonprofit Associations

National Priorities Project
National Women's Law Center
NETWORK: A National Catholic
Social Justice Lobby
OMB Watch
Protecting Arizona's Families
Coalition
RESULTS
The Arc of the U.S.
United Cerebral Palsy
United for a Fair Economy
US Action
Wider Opportunities for Women
YWCA of the USA