

## **City congresswoman proposes new bill**

NBC 5 -- Chicago

CHICAGO, October 2, 2001 - Saying that it's time now to re-invest in our country's economic needs, one Washington insider renews a call to roll back a tax cut.

Congresswoman Jan Schakowsky has proposed rolling back the 10-year bush tax cut, to jump-start the economy.

"It's freezing it, putting it on hold. It's saying let's wait until we give those tax breaks...let's meet these other priorities," said Schakowsky.

Schakowsky's bill would re-instate a top tax rate of 39.5% for the wealthiest taxpayers and it would freeze rates for others. It would provide \$340 billion over ten years for domestic needs. Today, it was the Fed that was doing the cutting by lowering interest rates by another half-point. But with federal spending for defense and security soaring since the terrorist attack, the federal budget could be heading back into the red. Leon Panetta was budget director for President Clinton.

"I spent the 80's fighting to get rid of deficits, and try to get back to some kind of balanced budgets," said Panetta. "I'd hate to see us blow that."

That's why some economists are saying it's time to re-think the tax cuts that were at the heart of President Bush's economic plan.

"It's not wrong to revisit last year's tax cuts or anything that's on the board today," said Bank One economist Diane Swonk. "The world was turned upside down on September 11th, meaning we need to re-think everything within that framework."

But that won't happen without a congressional fight. Some Republicans want more tax cuts and reductions in corporate and capital gains rates. Most Democrats call that bad medicine.

"I always thought the tax cut was bad idea, but it's an even worse idea now as the economy slides and we need to be spending more money," Schakowsky said.

Among others backing Schakowsky's legislation are fellow Chicago Congressmen Bobby Rush, Danny Davis and Jesse Jackson, junior.