

INTRODUCTION OF THE MAKING  
WORK AND MARRIAGE PAY ACT

**HON. THOMAS E. PETRI**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 22, 2010*

Mr. PETRI. Madam Speaker, today, I am introducing the Making Work and Marriage Pay Act of 2010. This legislation will establish a bipartisan commission to study the negative impact that high effective marginal rates can have on families as they attempt to improve their circumstances through work or marriage. The National Commission on Effective Marginal Tax Rates for Low-Income Families would provide an important opportunity for removing the disincentives that hold many back, in spite of their personal efforts to get ahead.

Federal and state governments provide financial assistance to low-income families through many means-tested programs and a variety of income tax credits. Each of these benefits is income-based, and as income rises benefits are reduced through phase-outs. These reductions occur at various earnings levels and on differing schedules.

While it is appropriate for benefits to be withdrawn as family income increases, little thought has been given to the combined impact on behavior of these multiple phase-outs. Different programs are created within separate Congressional committees and are implemented by assorted federal and state agencies. No one entity has the authority to consider our vast system as a whole. The Commission established under this Act would be given this task and charged with the responsibility to propose a legislative package to remove the disincentives to work and marriage that these high effective marginal rates impose.

Marginal rates matter. Economists have long contended that high tax rates affect the investment decisions of affluent individuals. People at all income levels, however, respond rationally to economic incentives and disincentives. If we want people to work their way into the middle class, we need to change a system which says that if you're poor and you struggle to earn a higher income, you won't be able to keep enough of it to make it all seem really worthwhile.

I have looked at the impact these marginal rates have on a typical single mother with two children living in Wisconsin. From \$17,000 to \$40,000 in earnings, this single parent would experience combined effective marginal tax rates in excess of 50 percent—averaging 59 percent between \$24,000 and \$41,000. At lower income levels, she even approaches a rate of 100 percent. Putting this into perspective, the U.S. corporate tax rate is 35 percent (one of the highest in the industrialized world). The highest U.S. income tax rate for individuals is also 35 percent.

Thus, for every dollar of new income earned by increased effort or the acquisition of new skills, this single mother finds herself only incrementally ahead and, perhaps, wondering whether her hard work is being justly rewarded. Despite the good intentions, these programs, in effect, offer no incentive to get ahead. Rather, the incentives are backwards and low-income workers often are encouraged to stay where they are.

The same dynamic can also affect an individual's decision whether to marry. Experts

from across the political divide agree that marriage is good. Government policy, however, as enacted in this assortment of programs and phase-outs actually discourages marriage among low-income couples.

Varying benefit levels across the fifty states produce different results, but in Wisconsin, for a married couple with two children, the marriage penalty starts rising from about zero at \$19,000 of combined income to \$7,000 in after-tax income at \$28,000 of combined earnings, which is what you get if two people earn minimum wage. At \$42,000, the cost of being married reaches \$8,154. That's a high price for a marriage license.

This penalty results from the high effective marginal tax rates produced by taxes and the phaseout of various benefit programs. As income rises, taxes go up and benefits go down. The couple that has combined their lives and their income sees a steeper loss of income than does the comparable couple that has remained unmarried. If marriage is a recognized good for both society and the individual couples, then government policy should not stand in the way of people choosing to marry.

It's time that Congress rationalizes this web of programs to ensure that hard work brings rewards by removing the punishingly high effective marginal tax rates faced by low-income individuals and families.

This is why I am introducing the Making Work and Marriage Pay Act.

My bill would authorize a Commission made up of Cabinet Secretaries, Governors, and recognized policy experts to recommend solutions for the problems posed by these high effective marginal tax rates. The Commission would be constructed to achieve partisan balance, input from states offering a varying level of income support, and expert participation from government and private sector experts.

The Commission would be charged with seeking a solution along certain policy lines, but would have full authority to offer additional policy recommendations. The Commission's recommendations would be in the form of a legislative blueprint to ease consideration of its comprehensive solution by the wide range of Congressional committees.

For too long, Congress has neglected to clean up the mess of uncoordinated federal benefit programs. The Making Work and Marriage Pay Act is the first step toward a benefit structure that rewards work and effort and reflects our shared belief that marriage is the basis of stable communities. I urge my colleagues to support this important legislation.

HONORING TIMBERLY DINGLAS

**HON. CAROLYN McCARTHY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 22, 2010*

Mrs. MCCARTHY of New York. Madam Speaker, I rise today to recognize Timberly Dinglas, the Award of Achievement Winner for the 4th Congressional District's high school art competition, "An Artistic Discovery." An Artistic Discovery recognizes and encourages the artistic talent in the nation, as well as in each congressional district. The Congressional Art Competition began in 1982 to provide an opportunity for Members of Congress to encour-

age and recognize the artistic talents of their young constituents. Since then, over 650,000 high school students have been involved with the nationwide competition.

Timberly Dinglas, a resident of the 4th Congressional District, is currently a junior at Valley Stream South High School in Valley Stream, New York. Ms. Dinglas offered her piece called "The Black Eye", which was a colored pencil portrait of a young man with a black eye. Timberly's eye for color and blending skills are evident in this piece and are certainly a testament to her achievement.

The contest in the 4th Congressional District continues to flourish and I owe it to all of the talented students like Timberly from our high schools that submitted their art to be displayed in this distinguished contest. It is essential for art programs and curricula to remain in our schools and communities. I believe that having a forum for our young people to express themselves in a creative way is extraordinarily important and I will continue to work in Congress to ensure that the arts are preserved.

The future of this country depends on the hopes and dreams of its children. Our community, and our nation, are enhanced by the contributions of students like Timberly Dinglas. Additionally, I would like to recognize the work of the teachers and administrators at Valley Stream South High School who dedicate their lives to their students. The staff is the backbone of the students' success and I thank them for all that they do on a daily basis.

Madam Speaker, it is with pride and admiration I offer my thanks and recognition to Timberly Dinglas.

CONGRATULATING THE CLEMENTS  
RANGERS

**HON. PETE OLSON**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 22, 2010*

Mr. OLSON. Madam Speaker, I rise today to congratulate the Clements Rangers Baseball team on an outstanding season. They were the Region 3 Champions which qualified them for 5A Texas finals.

I congratulate their coach, Israel De Los Santos, for his steering the team to this successful season. The Rangers made their community and school very proud through their play. I wish their seniors Brian Heathcoat, Dillon Huff, Ryan Berger, Kenny Hutchison, Tyler Kruse, Andrew Riddle, Matthew Sugar, Scott Ballard, John Stanford, and Mike Garcia the best of luck in all their future endeavors.

RECOGNIZING THE LIFE OF  
RICHARD BURTON

**HON. BRIAN P. BILBRAY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 22, 2010*

Mr. BILBRAY. Madam Speaker, I rise today to honor Mr. Richard Allyn Burton and the contributions he has made to our nation. Mr. Burton, born to Clarence and Fern Burton in Pleasant Hill, Missouri, is a shining example for future generations to follow.

Mr. Burton came to California during the Great Depression with his four brothers and