

**Congress of the United States**  
**Washington, DC 20515**

June 12, 2008

The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
S-221, The Capitol  
Washington, D.C. 20510

Dear Majority Leader Reid:

We are writing to reiterate our commitment to enacting legislation extending tax relief to businesses and families in a fiscally responsible manner. It is extremely important that we enact legislation extending these tax provisions **without increasing the deficit**. We know that you and the great majority of Senate Democrats strongly agree with that position.

Last month, the House passed H.R. 6049, the *Renewable Energy and Job Creation Act of 2008*, by a strong bipartisan vote of 263-160. This legislation would extend several expiring tax provisions, encourage the use and creation of renewable energy sources and provide tax relief for American families. Importantly, the bill would offset the costs of extending tax relief by closing a loophole allowing high-income taxpayers to defer taxes through offshore tax havens and by delaying a tax break for multi-national companies that has not taken effect. This legislation earned the support of a broad cross-section of business groups, environmental organizations and advocates for working families.

When Democrats took control of Congress last year, we made a commitment to restore fiscal discipline to the legislative process through reinstatement of PAYGO budget rules. We will not vote to waive the PAYGO rule for business tax extenders legislation that would increase the deficit.

We believe the research and experimentation tax credit, various accelerated depreciation provisions, the energy tax incentives, the education, charitable, and other individual tax incentives in H.R. 6049 are very important to American families and to the U.S. economy. The legislation passed by the House demonstrated that it is not necessary to increase the deficit in order to extend tax relief.

We were disappointed to see that the Minority in the Senate has blocked consideration of this important legislation because of opposition to the innocuous offsets included in the bill – despite the fact that many business groups support these provisions as essential to ensuring passage of the tax relief included in the bill. The House will not pass this legislation if the Senate strips the offsets from the package. Continued opposition to the reasonable offsets for this legislation will result in millions of American families and businesses being denied tax relief.

We look forward to working with you to enact fiscally responsible legislation extending tax relief to American families and businesses.

Sincerely,

