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**HEADLINE:** Another Senseless Tax-Cut Attempt

**BODY:**

With this year's federal deficit exploding toward the \$500 billion level and the **national-debt** ceiling needing a trillion-dollar increase, it seems unfathomable that Congress and the White House remain locked in a suicide pact of another tax cut. Yet here comes that persistent White House sales team with a fresh label on their tax-cut patent medicine. Facing only a small Senate line of Republican resistance, President Bush has sent out aides with some smooth talk about a phased-in, rather than full gulp, version of his beloved dividend tax cut. His plan would cost the Treasury \$396 billion in lost revenues in a 10-year boon accruing mostly to upper-bracket taxpayers.

The administration move signals a strategic bid in a sorry high-stakes Capitol poker game over the size and nature of another tax reduction. The dispute should be about the wisdom of any tax cut right now in the face of deficit rollovers, costly debt and government retraction from basic services in states across the land. But the G.O.P.-led Congress has already sadly set the outcome somewhere between the \$550 billion package of cuts that are yearned for by the House, and the \$350 billion level that is the working maximum of the Senate's few Republican holdouts, backed by the Democratic minority.

Various counterbids and schemes are being floated: ratcheting up the Senate figure by promising spending offsets, perhaps. Or delaying the president's plan to speed up high-income tax breaks enacted two years ago. But the important bid now is not the White House's sounding friendlier toward the Senate's smaller ante; it is the president's determination to win some form of the dividend tax cut. This is a measure with theoretically long-term benefits, at best, but a mistimed disaster as revenues shrink and deficits balloon. Affluent beneficiaries will not be likely to spend the money as a short-term stimulus.

Our lawmakers are in recess, and as they press the flesh and take stock of the national pocketbook, polls of their constituents are clearly spiking with greater wariness about another tax cut. When Congress returns to the tax-cut game, answers will be at hand to two key questions: who is listening and who is counting?

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**LOAD-DATE:** April 23, 2003

◀ [prev](#) Document 2 of 46 [next](#) ▶

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