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Helping and Protecting American Taxpayers

As North Carolina taxpayers completed their tax returns this week, the House approved legislation aimed at ensuring American tax dollars are used to rebuild America, not Iraq.

Americans have already spent \$45 billion rebuilding Iraq and the war costs our nation \$10.3 billion a month - about \$4,000 a second. Additionally, the Defense Contract Audit Agency believes there have been more than \$10 billion in questionable or unsupported costs in Iraq contracts. As the costs in Iraq continue to mount, far too many of our needs at home are being ignored.

The Taxpayer Assistance and Simplification Act, passed by a bipartisan vote of 238 to 179, will help put the tax code back on the side of working families.

The legislation ends the practice of private collection of federal taxes. This week, the Washington Post reported that this practice costs the IRS \$37 million more than it generates, and it often subjects taxpayers to harassment. The legislation also strengthens taxpayer protections against identity theft and tax fraud; simplifies cell phone tax reporting; and, expands tax help for low-income taxpayers.

Currently, the tax code contains more than 700 provisions affecting individuals and more than 1,500 affecting businesses - a total of more than 1.4 million words. All told, tax laws are four times as long as the book War and Peace. The confusing tax code costs taxpayers more than \$1 billion annually because understandably confused taxpayers make mistakes on tax forms.

This bill strengthens IRS outreach and assistance efforts to help ensure taxpayers know they are entitled to tax refunds or to payments under the Earned Income Tax Credit.

The legislation also takes steps to close corporate loopholes and stop federal contractors from using foreign subsidiaries to evade Social Security and other employment taxes. Currently, some companies avoid paying their fair share of Social Security and Medicare taxes by creating shell companies overseas. The Taxpayer Assistance and Simplification closes this loophole, which costs American taxpayers almost \$100 million a year.

For too long, the tax code has given big businesses every advantage and left working families to fend for themselves. This legislation will help to make companies pay their fair share and help taxpayers who play by the rules get the assistance they need and deserve.

In This Week's Issue:

- Helping and Protecting American Taxpayers
- Extending Unemployment Benefits
- Ensuring Continued Access to Federal Student Loans
- Celebrating Earth Day

Extending Unemployment Benefits

In the face of growing unemployment, there is legislation that would provide an immediate 13-week extension of unemployment benefits nationwide.

According to the Congressional Budget Office, the Emergency Extended Unemployment Compensation Act would assist more than 3.2 million jobless Americans who are looking for work.

This week, the Labor Department announced that the March unemployment rate for North Carolina increased to 5.2%, which represents a 15.6% over March 2007. It's clear that more people are struggling to find work in the slowing economy, and they need help.

Over the last three months, the U.S. economy has lost 232,000 jobs and over the past year the number of unemployed has grown by over one million. The number of long-term unemployed workers is nearly twice as high as it was at the beginning of the last recession.

The strain of the economic downturn on working families demands a second growth and relief package now. President Bush has announced his interest in working with Congress to help people deal with the difficult economy. That announcement is a hopeful sign that the President will now agree to work in a bipartisan manner on a second package, which includes unemployment benefits for millions of out-of-work Americans.

With projections that unemployment will continue to increase through the end of this year, economists agree that additional unemployment compensation will be the most cost-effective and immediate way to jumpstart the economy,

The Emergency Extended Unemployment Compensation Act will:

- Immediately provide up to 13 weeks of extended unemployment benefits to workers exhausting regular unemployment compensation in every state.
- Provide an additional 13 weeks (for a total of 26) in States with high unemployment (six percent or higher).
- Run through January 2009 and be financed by the federal unemployment trust funds, which now have more than enough reserves to cover the cost.

Ensuring Continued Access to Federal Student Loans

This week a bipartisan House majority approved legislation to ensure that students can access the federal student loans they need to pay for college during these difficult financial times.

The Ensuring Continued Access to Federal Student Loans Act of 2008, which carries no new cost for taxpayers, was passed by a vote of 383 to 27.

The Ensuring Continued Access to Student Loans Act of 2008 would provide new protections, in addition to those that already exist under current law, to ensure that families continue to have timely, uninterrupted access to federal college loans in the event that the stress in the credit markets leads a significant number of lenders to substantially reduce their activity in the federally guaranteed student loan program.

The legislation would:

Reduce borrowers' reliance on costlier private college loans and encourage responsible borrowing

- Under current law, dependent undergraduate students can borrow \$3,500 in unsubsidized federal loans during their first year of college; \$4,500 in unsubsidized loans during their second year; and \$5,500 in unsubsidized loans during their final two years of college. Over the course of their education, dependent undergraduate students can currently borrow up to \$23,000 in total federal student loans (both subsidized and unsubsidized) and independent undergraduates can borrow up to \$46,000 in total loans.
- The bill would increase the annual loan limits on federal unsubsidized student loans by \$2,000 for all students, and increase the aggregate loan limits (the total loan limit over the course of a student's education) to \$31,000 for dependent undergraduates and to \$57,500 for independent undergraduates.

Give parent borrowers more time to begin paying off their federal PLUS college loans

- Under current law, parent borrowers must begin repayment of federal PLUS college loans 60 days after the disbursement of the loan.
- This legislation would give parents the option to defer repayment until up to six months after their children leave school, giving families more flexibility in hard economic times.

Help struggling homeowners pay for college

- Under current law, parents with an adverse credit history are ineligible to receive a parent PLUS loan, except under extenuating circumstances.
- The bill would temporarily classify as an extenuating circumstance delinquencies on home mortgages of up to 180 days, therefore making it possible for parents feeling strained by the current housing market to secure loans for their children.

Provide the U.S. Secretary of Education additional tools to safeguard access to student loans

- The legislation would clarify that existing law gives the U.S. Education Secretary the mandatory authority to advance federal funds to guaranty agencies operating as lenders of last resort in the event that they do not have sufficient capital to originate new loans. The bill would also allow guaranty agencies to carry out the functions of lender of last resort on a school-wide basis.
- The bill would also give the Secretary the temporary authority to purchase loans from lenders in the federal guaranteed loan program, if there was a determination that lenders and other existing policy options were unable to meet the demand for loans. This would ensure that lenders continue to have access to capital to originate new loans. The Education Department would only be authorized to purchase loans in such a manner that would carry no cost for the federal government.

Celebrating Earth Day

Earth Day provides a time when we as a nation can reflect upon our responsibility to the health and well-being of our environment. Celebrated around the world, Earth Day unites people of diverse backgrounds, faith traditions, and political ideologies with the universal aim: good and equitable stewardship of our planet and its inhabitants.

Global warming and our addiction to oil may be the greatest challenges of our time, putting at risk our economy, our environment, and our national security. We owe it to our children and grandchildren to act now.

No longer can anyone deny the importance of global warming. The world's top climate scientists have concluded that global warming is 'unequivocal' and that human activity is the main cause.

By focusing on rapidly expanding the production of clean, alternative energy and reducing our use of oil, our country can both reduce global warming and make America more energy independent.

The House of Representatives has already taken some key steps. The House has created a Select Committee on Energy Independence and Global Warming. This Select Committee will play a key role in informing Congress and the public, developing policy initiatives and assuring we make real progress over the next years. The House also passed a bill that repeals \$14 billion in subsidies given to Big Oil companies and shifts those resources to investments in clean, alternative energy and energy efficiency.

In addition, the House has already passed a budget that places a high priority on tackling global warming and making America more energy independent. And, the House is expected to consider the Farm Bill, which will include extensive provisions on promoting biofuels.

There are still a great number of steps that need to be taken so as to ensure that the world we pass on to the next generation is a better place. On Earth Day, we must rededicate ourselves to addressing global warming and making America more energy independent. We must always remember that to whom much is given, much is expected.