

**First Regular Session
Sixty-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. M03-1001.01 Tim Cusick

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SENATE SPONSORSHIP

Grossman,

HOUSE SPONSORSHIP

(None),

Senate Committees
State Veterans & Military Affairs

House Committees

SENATE JOINT MEMORIAL 03-003

101 **MEMORIALIZING CONGRESS AND THE PRESIDENT OF THE UNITED**
102 **STATES TO WORK TOGETHER TO REDUCE THE NATION'S BUDGET**
103 **DEFICIT AND THE NATIONAL DEBT.**

1 WHEREAS, With the economic recovery still sluggish and the
2 dual prospects of war in Iraq and terrorism at home weighing down on
3 business and consumer confidence, Congress and President Bush deserve
4 credit for proposing steps to spur the economy; and

5 WHEREAS, Less than 9% of the 10-year \$670 billion tax cut
6 President Bush has proposed would have an impact this year, a stimulus
7 amounting to less than 0.6% of the gross domestic product; and

8 WHEREAS, Most of the tax cut is scheduled for later years when
9 the main effect may simply be to enlarge the long-term deficit; and

10 WHEREAS, Federal Reserve chairman Alan Greenspan recently
11 stated that long-term deficits are the leading threat to sustainable
12 economic recovery; and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 WHEREAS, A responsible budget deficit reduction plan would
2 combine an effective dose of short-term fiscal stimulus with plenty of
3 long-term fiscal restraint; and

4 WHEREAS, Congress and President Bush should make any new
5 tax cut effective immediately, target it at households likely to spend
6 rather than save the money, and avoid provisions that cause a growing
7 revenue loss over time; and

8 WHEREAS, Enacting new permanent tax cuts in the face of new
9 large spending pressures, such as war with Iraq and the inevitable
10 post-war costs, our massive but indispensable homeland security needs,
11 and a major prescription drug add-on for Medicare, proclaims that the
12 United States can have it all when it cannot; and

13 WHEREAS, Future generations are already burdened by an
14 off-the-books obligation of \$25 trillion; and

15 WHEREAS, The \$25 trillion millstone represents the unfunded
16 benefit obligations of federal entitlement programs such as Social
17 Security and Medicare, which is the total value of benefit promises
18 accrued to date for which nothing has been saved; and

19 WHEREAS, No amount of fiscal stimulus of "pro-growth" tax cuts
20 will come close to lifting the \$25 trillion millstone; and

21 WHEREAS, Many advocates of permanent tax cuts believe that
22 debt is a painless alternative to taxes, when in fact deficits merely shift
23 the tax burden toward the future; and

24 WHEREAS, According to the Social Security and Medicare
25 trustees, these 2 programs alone are on track to consume between 1/4 and
26 1/3 of worker payroll, which is an unthinkable burden; and

27 WHEREAS, If Congress and President Bush desire to reduce or
28 eliminate the "double taxation" of corporate dividends, such structural
29 reforms should be framed as a comprehensive revenue-neutral package
30 to avoid worsening the long-term deficit; and

31 WHEREAS, Reducing the taxation on dividends may marginally
32 improve personal savings, but the loss in federal revenue adds directly to
33 the federal debt and in the long run subtracts dollar-for-dollar from
34 desperately needed national savings; and

35 WHEREAS, Fiscal responsibility requires tough choices on
36 revenues and spending, avoiding tax cuts the United States cannot afford,
37 and reforming entitlements that put the budget on a sustainable trajectory;
38 now, therefore,

39 *Be It Resolved by the Senate of the Sixty-fourth General Assembly*
40 *of the State of Colorado, the House of Representatives concurring herein:*

41 (1) That Congress and the President of the United States are
42 hereby memorialized to work together and find solutions to reduce the

1 nation's ever-increasing budget deficit and the national debt and develop
2 a fiscally responsible economic stimulus plan.

3 (2) That the General Assembly encourages Congress and the
4 President of the United States to work together to reduce the federal
5 government's expenditures, dollar-for-dollar, when it brings in less
6 revenue than the previous fiscal year.

7 *Be It Further Resolved*, That copies of this Joint Memorial be
8 transmitted to President George W. Bush, Speaker of the House of
9 Representatives J. Dennis Hastert, House Minority Leader Nancy Pelosi,
10 Senate Majority Leader Bill Frist, Senate Minority Leader Thomas
11 Daschle, and to each member of Colorado's congressional delegation.