



Dividend Proposed in Lieu of Tax Cut

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WASHINGTON (Dow Jones)--The Congressional Progressive Caucus, a group of over 50 legislators led by Rep. Dennis Kucinich, D-Ohio, proposes a budget surplus "dividend" in lieu of a large tax cut.

Under the plan, every man, woman and child in America would get \$300 per year as long as the budget surplus could accommodate it, a plan the Congressman says would cost the Treasury about \$900 billion over the usual 10-year budget window.

The American People's Dividend would be true across-the-board tax relief in that everyone - rich and poor alike - would be treated exactly the same, a spokesman for the group explains. In contrast, under President George W. Bush's across-the-board tax rate cuts, at least half the benefits would go to the wealthiest 5% of the population, he notes.

Moreover, there's no better way to stimulate the economy because the bulk of the dividends would definitely be spent, not saved, the spokesman says.

Caucus members - a group of unabashedly liberal legislators - have been shopping the plan around Capitol Hill in the hope of attracting mainstream support, apparently with some success.

"I like the idea of a dividend," says Senate Democratic Leader Tom Daschle, D-SD, adding that he would most like to see it applied against the payroll tax.