

COLUMN: Tax Relief to Help Workers get through Tough Economic Times

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In 2003, I introduced legislation that would enhance unemployment insurance by eliminating the taxation of benefits. The idea was that it would help those going through tough times have more buying power. If that was a relevant issue five years ago, surely it is even more important today with over a million more Americans tapping into unemployment.

This week, I reintroduced that legislation in the House of Representatives. The bill, the Workforce Fairness and Tax Relief Act, would make unemployment benefits tax free in order to ensure that the families hit hardest by this recession have access to the resources they need. The legislation would help those who receive severance pay as a result of layoffs by eliminating taxes for up to \$10,000. Laid-off workers would also have tax-free access to their 401(k) savings. Additionally, individuals eligible for the Health Care Tax Credit under the Trade Adjustment Assistance Act would be reimbursed up to 100% for health care expenses—up from the current 65%.

If Congress can muster the strength to pass hundreds of billions of dollars to save huge investment banks, surely they can find a way to help every day Americans directly affected by our nation's economic downturn.

This legislation is not a long-term solution for the serious problems we face as a country. Without a doubt, we must undertake additional efforts at the national level to address our ailing economy. There are fundamental flaws, for example, in our international trade policies which accelerate the rush of jobs overseas and favor cheap imported goods to the quality of American craftsmanship. Nevertheless, even as we work to reform the system that created the problem, at this point it is crucial that we do not leave behind those who have been devastated by the ongoing economic crisis.

As a mill worker at the Great Northern Paper Company in East Millinocket for 29 years, I remember the anxiety of job insecurity every time the economy slowed down. I know how employees at the mills, Bath Iron Works, and other small and large manufactures and businesses across the state feel right now. As jobs are lost around you, you worry about how you are going to provide for your family and pay the mortgage.

During these tough economic times, it's vital that we do not allow hardworking Mainers and Americans suffer through no fault of their own. Ending the taxation of unemployment insurance is a logical, simple step we can take in that direction.