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## **BUDGET CONFERENCE KEEPS BAUCUS CHIP FUNDING, TAX CUTS FOR WORKING FAMILIES**

*Finance Chairman urged boost for Children's Health Insurance Program,  
targeted surplus funds to families*

**Washington, DC** – The Fiscal Year 2008 budget announced by House and Senate negotiators today has retained vital children's health and tax relief provisions championed by Finance Committee Chairman Max Baucus (D-Mont.) in the Senate. In March, Baucus won passage of a budget amendment authorizing the extension of tax cuts including the child tax credit and relief from the joint-filing penalty paid by America's married couples, and urged the Senate to fully fund the State Children's Health Insurance Program, or CHIP. The final congressional budget keeps Baucus's provision targeting \$179.8 billion in surplus funds toward tax relief for working families, and provides the full \$50 billion in funding that Baucus urged for CHIP. The Finance Committee will consider renewal and improvement of the CHIP program, which provides health insurance to children in lower-income families who cannot afford private coverage but do not qualify for Medicaid, shortly after the Memorial Day recess.

**“At the end of the day, this budget makes the right choices for children and families. The Finance Committee and the entire Congress can use this opportunity to extend health coverage to as many as 12 million lower-income, uninsured American children. And working families can know that any surplus dollars are headed back into their pockets by way of smart, targeted tax cuts,”** said Baucus. **“Budget conferees made the right choices here. Now we have a blueprint for the right priorities in this Congress.”**

Baucus's Finance Committee has jurisdiction over the CHIP program and over U.S. tax policy. The final budget provides a \$50 billion reserve fund for renewal and improvement of CHIP. The amendment also uses surplus funds to provide:

- permanent marriage penalty tax relief
- permanent extension of the refundable child tax credit
- permanent extension of the adoption tax credit
- permanent extension of the higher child care tax credit
- permanent allowance of earned income tax credit for American soldiers' combat pay
- permanent extension of the 10 percent income tax bracket
- permanent extension of current estate tax rate and exemption level

Some additional surplus funds are designated for tax relief as well. Both congressional chambers are expected to approve the budget conference report this week.

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