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HOYER: TAXING NOT-FOR-PROFIT CREDIT UNIONS IS BAD FOR CONSUMERS

WASHINGTON – House Democratic Whip Steny Hoyer (MD) released the following statement in response to recent comments by Ways and Means Chairman Bill Thomas (R-CA) to the Federation of American Hospitals Forum in which he alluded to raising taxes on not-for-profit Credit Unions which provide basic financial services to low and middle income Americans:

“Credit Unions exist to provide people of modest means with access to savings and credit services, which is important to maintaining an economy of equal opportunity. Credit Unions are tax-exempt because they are focused on service and not on profit. They are owned by their membership and are run democratically.

“What exactly has changed that these service-oriented organizations should now be taxed, as suggested by a leading Republican? In fact nothing has changed, and taxing not-for-profit Credit Unions is still bad for consumers.

“The Credit Unions’ mission certainly has not changed – they continue to focus on the needs of the consumer, especially important for low and middle income families and some small businesses. And the Chairman’s remarks make clear that his desire to make the playing field more favorable for big business than for small businesses and consumers has not changed either. I suggest that the Chairman focus his energy and considerable intellect on closing some of the loopholes in the tax code and making the system simpler and fairer rather than on taxing consumer-friendly, not-for-profit Credit Unions.

“Chairman Thomas may also want to take note that I am not alone in my beliefs. President Bush’s top economic advisor, Treasury Secretary Snow, recently remarked to Credit Union representatives, ‘I understand you are for service and not for profit, which is the fundamental reason why this talk of taxation of your industry, and what you do, is something we oppose.’”

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