

May 14, 2004- Fight to End Widows' Tax For Military Spouses Continues

FOR IMMEDIATE RELEASE:

May 14, 2004

202-226-2965 Rep. Sanchez Helps Win Fight to End Widows' Tax For Military Spouses,
Vows To Be Diligent Until Final Passage

WASHINGTON — Today, Rep. Loretta Sanchez (CA-47) announced that because of grassroots organizing by veterans and pressure by House Democrats, months of Republican opposition to ending the Widows' Tax have finally ended, and hundreds of thousands of families of military retirees will be able to keep the benefits they have earned.

On Wednesday night, Republicans conceded and included bipartisan provisions to end the Widows' Tax in the Defense Authorization bill. According to Rep Sanchez, without action, this tax will penalize more than 200,000 elderly Americans over the next 10 years, and hundreds of thousands in future years. More than one million military retirees pay premiums for years and anticipate that upon their death, their spouse will receive 55 percent of their retirement benefit. But when their spouse reaches 62, the benefit drops by one third, forcing these widows to give up a substantial portion of their benefits.

The new provisions in the Defense bill would begin to reduce the penalty in the fall of 2005, and completely end it over five years. "America's veterans and their spouses had a great victory last night in the House Armed Services Committee, and one which was long overdue," said Sanchez, a member of the Committee that makes such budget decisions. "This vote was a rare example of bipartisanship in the House, and reminds us how much progress we could make for veterans if we worked this way on a regular basis."

"Those of us that worked to get this language included in the bill believe that our troops should be taken care of when we send them into battle and that they should be given our respect when we bring them home," continued Sanchez. "We know that the spouses of those we send into battle make sacrifices too. That's why I will remain vigilant until the provision actually becomes law."

The FY'05 Defense Authorization bill is expected to be passed by the full House of Representatives during the week of May 17, 2004. The U.S. Senate will begin the mark-up of its Defense bill next week. Once both bills are passed, the bill goes to conference where it is negotiated by both bodies of the Congress. Provided that the provision survives conference, it will likely be included in the final conference report, which is expected to be voted on in September 2004.