

GOP Senate Hopeful Calls For Corporate Tax Break

The Associated Press

LAWRENCE, Mass. (AP) — Republican U.S. Senate candidate Gabriel Gomez pressed Tuesday for a cut in the corporate tax rate after a tour of textile-maker Polartec.

The Lawrence-based company has rebounded from a massive fire in 1995 that destroyed the plant, and two subsequent bankruptcies. It now faces new challenges brought on by the decline in defense-related business resulting from the winding down of foreign wars and the automatic federal budget cuts that went into effect in March.

Defense contracts account for about one-third of the company's business, officials said.

Gomez said after visiting the plant that the automatic cuts — known in Washington parlance as the sequester — show how "dysfunctional" Washington has become. He called for a lowering the 35 percent corporate tax rate to below 30 percent and closing of some corporate tax loopholes.

Federal budget cuts should be implemented in a "thoughtful way and in a way that doesn't impact national security," he said.

Gomez's Democratic opponent in the June 25 special election, U.S. Rep. Edward Markey, has said he would be willing to consider lowering the corporate tax rate, but only in conjunction with ending corporate tax breaks to big oil and other industries. He has also criticized Gomez for his not supporting higher taxes on the wealthiest Americans as part of a potential budget agreement.

Gary Smith, chief executive of Polartec, said it was important for Congress to get a budget deal done that would end what he called "uncertainty" surrounding the company's defense business. He said a \$1 million program to supply soldier equipment had already been put on hold this year, affecting Polartec's workforce.

But Smith added that he did not think new taxes should be part of the solution.

"I do believe government has gotten too big," he said.

Smith said he Markey had also been invited to visit the company but had not heard back from the Democrat's campaign.

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