

Orange County's congressional delegation mostly said yes today to a bill that would tax those huge AIG bonuses to the point that the taxpayers would recoup 90 percent of the money.

Only Rep. John Campbell, R-Irvine voted no on the measure. Rep. Gary Miller, who is recovery from surgery, is home in Orange County and did not vote. Reps. Dana Rohrabacher, R-Huntington Beach, Ken Calvert, R-Corona, Loretta Sanchez, D-Garden Grove and Ed Royce, R-Fullerton, voted yes.

"AIG should not be using taxpayer dollars to reward employees with one million dollar bonuses," said Calvert. But like many GOP members he criticized Democrats for including language in the stimulus bill that allowed these bonuses to be paid in the first place.

"The American people deserve answers not only from AIG, but from Speaker (Nancy) Pelosi and Senate Majority Leader (Harry) Reid on how the language, which specifically allowed bonuses, was inserted into the stimulus bill."

Sanchez said she hopes the Senate will act on the House bill quickly. "I am outraged that AIG's executives would even consider using taxpayer money to reward themselves bonuses they clearly do not deserve—it is truly unconscionable," she said.

Senate lawmakers are drafting legislation but it's not yet clear how similar it will be to the House measure.

The House bill requires the 90 percent tax bite on anyone who got a bonus this year, who earned more than \$125,000 for individuals and \$250,000 for families, and who works for a company that took more than \$5 billion in bailout money. Seems tailor-made for AIG.

But Campbell, who voted no, said the way the bill is drafted, a Wells Fargo Bank teller who received a \$1,000 bonus for doing a good job actually pay more than the bonus he or she received.

“It is a terrible precedent to use the tax laws for punishment,” Campbell said. “If we go down this road, the government can impose a 100 percent tax on anyone they don’t like, or anyone they believe is paid too much.

“I understand the public outrage over these bonuses and I share much of it. But this is not the way to fix it. Sue them to get the money back. But don’t do this “

Royce said taking federal money comes with some new rules.

“Part of being in the private sector is accepting risk,” Royce said. “In exchange for accepting risk you can achieve a potentially a higher reward.

”If you choose to eliminate the risk by working for the government you have to forfeit the ability of having that higher reward. You can’t have it both ways while having the government bail you out.”

Royce said he hopes this bill will “send a message to everyone involved in free enterprise. If you decide to go to the government for a bailout, there are consequences for leaving the private sector and going to the public sector.”