



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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ATR RATINGS ALERT H.R. 3574

Stock Option Accounting Reform Act

Americans for Tax Reform (ATR) fully supports the Stock Option Accounting Reform Act, HR 3574, which will be voted on Tuesday July 20, 2004.

H.R. 3574 would require companies to report as an expense stock options granted to the CEO and the next four highest paid employees – **small businesses would be exempt from expensing options, and newly public companies would be able to delay expensing in the first three years.**

As such, the legislation preserves broad-based employee stock option plans, which increases an employees overall stake in the success of the company and increases job creation. ATR believes stock options are a vital job-creation tool and passage of this legislation allows the benefits of stock options to continue.

Given the importance of this legislation to the US economy, taxpayers, shareholders and job creation, ATR may rate this vote in our annual congressional ratings.

ATR MAY RATE H.R. 3574