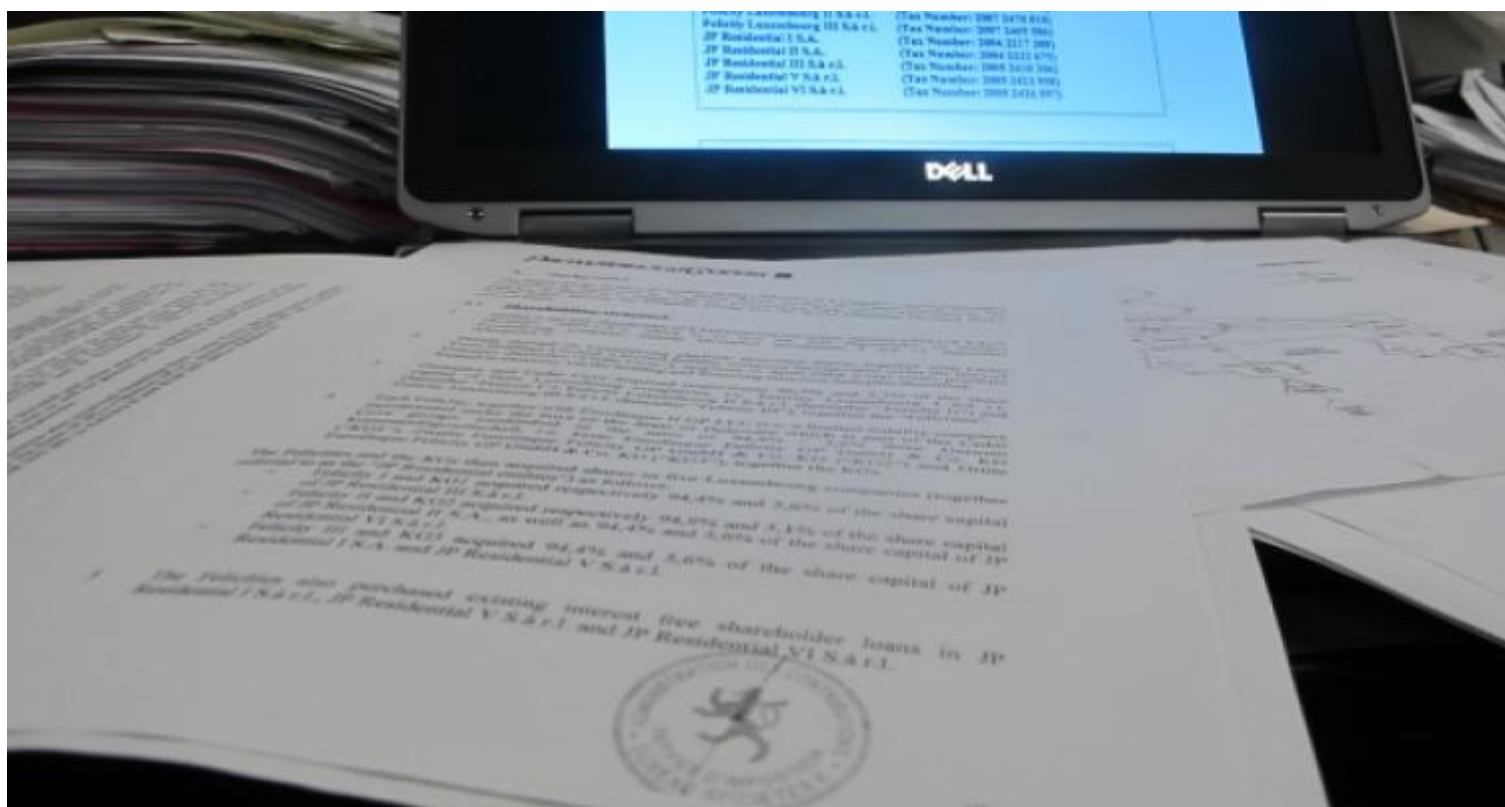


Blow to Austerity Agenda as Argentinean Opposition Passes Tax Law



Buenos Aires, December 9 (RHC)-- Argentinean opposition parties have united to strike a major legislative blow to right-wing President Mauricio Macri's austerity agenda, approving a new tax law that would see income taxes cut for retirees and many low-income earners, while reinstating taxes on the mining industry and increasing those on the finance and gambling sectors.

The new law is the first major legislative defeat for Macri, who since being elected December 10th last year has imposed harsh austerity measures, including layoffs for 154,000 public sector workers, giving rise to massive demonstrations and a declaration of a "social emergency" by labor and social movement activists. The law, passed by a vote of 140-86, will go to the Argentinean Senate next week for approval and could face a Presidential veto.

In a radio interview after the new tax bill passed national lawmaker and former economy minister under the Kirchner administration, Axel Kicillof, said the initiative is a direct response to Macri's austerity agenda. "Today they don't tax the richest sectors but when the workers come they say 'there's not enough money,'" said Kicillof.

“We have demonstrated that when the government policies are not favorable to the sectors we represent, the opposition can unite to defend the rights of workers, the Provinces, and the Argentinean people,” he continued.

While Macri called the law “irresponsible,” adding that he expects the Senate will defeat the bill, Kicillof argued that the measure would actually help the Marci government which has faced massive opposition to its increasingly harsh economic policies. Kicillof said the bill “will put money in the pocket of the people” who have received “all the blows they could” this year with increases in utility rates, inflation and falling wages.

The new law raises the tax floor by 40 percent, meaning that single people would begin paying income tax after earning US\$27,700, whereas previously they paid taxes on anything earned above \$18,800 USD. For workers with at least two children, the tax floor will go from \$25,000 to 36,300.

The new law seeks to reinstate a 5 percent tax in the mining sector, which Macri had eliminated upon coming to office. It also imposes a 7.5 to 10 percent tax on the gambling industry and imposes new taxes on short-term financial speculation transactions.

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