

Republican Budget Rewards Very Wealthiest with Permanent Tax Cuts ***Deficit Reduction Washed Away by Unpaid for Tax Cuts***

➤ Windfall for Millionaires

The Republican Budget makes permanent the Bush tax cuts for the very wealthy (top 2 percent) at a cost of nearly **\$700 billion** over 10 years.

- 79 percent would go to .3% of households – 315,000 -- that make more than \$1 million.

➤ Windfall for Wealthiest Estates

The Republican Budget makes permanent the December 2010 estate tax change.

- The two-year cost of the December estate tax deal above extending the 2009 estate tax parameters was \$25 billion. The average tax cut is \$1.89 million a year and flows to the 6,600 wealthiest estates.

➤ \$2.9 trillion in Tax Hikes Hidden in Policy Language

The Republican budget calls for reducing the individual and corporate tax rates from 35 to 25 percent at a cost of \$2.9 trillion over 10 years.

- To make the rate reduction revenue neutral, it would be nearly impossible to avoid eliminating or dramatically reducing the mortgage interest deduction, the exclusion for employer provided healthcare, and preferences for pensions and other retirement savings untouched.

➤ Deficit Reduction Washed Away by Tax Cuts

The Republican budget's \$4.3 trillion in spending cuts, offset by \$4.2 trillion in tax cuts, yield just \$155 billion in deficit reduction.