



AMERICANS *for* TAX REFORM

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RUDY GIULIANI TAX CUT PLAN THE BIGGEST IN HISTORY AND MOST PRO-GROWTH IN GOP PRESIDENTIAL FIELD

Plan would cut the capital gains tax, slash the corporate income tax, and create a simplified alternate tax system for families and small businesses

WASHINGTON, DC – Former New York Mayor Rudy Giuliani today released a pro-growth tax cut package. This multi-trillion dollar tax cut would easily exceed the level of the Reagan or Bush tax cuts. This package is the most pro-growth tax cut of any GOP presidential candidate.

Giuliani's tax plan makes all the Bush tax cuts permanent, including full repeal of the death tax. It indexes the alternative minimum tax (AMT) to inflation, and eventually repeals it. It reduces the corporate income tax from today's 35 percent, the second-highest in the developed world, to 25 percent, more in line with our European competitors. It slashes the capital gains and qualified dividends tax rate from 15 percent to 10 percent (and indexes capital assets to inflation), which will boost the value of every American's 401(k) and IRA. It replaces the current hodgepodge of dozens of tax-advantaged savings accounts with a simplified system of Retirement Savings Accounts and Lifetime Savings Accounts. It gives all Americans the ability to purchase health insurance pre-tax through a health care standard deduction.

"This tax cut—the largest in history—would represent a monumental leap forward for the American taxpayer and the U.S. economy," said ATR President Grover Norquist. "In particular, cutting the corporate income tax and the capital gains tax is just what is needed to keep us from falling into recession."

In addition, the Giuliani tax cut plan creates an alternate "Fair And Simple Tax (FAST)" system that American families and small businesses could choose to go into each year, with a three-bracket structure, a 30 percent top rate, and only the most popular deductions in place.

"Most Americans, when given the choice to go into this simplified system, will flock toward it and never switch back," continued Norquist. "Hong Kong has had an alternate tax system for years and the vast majority of residents use it happily."

In addition to his tax cut proposal, Giuliani has committed in writing to the American people to oppose and veto all tax increases. This pledge has also been adopted by every other Republican presidential candidate except John McCain and Fred Thompson. It hasn't been adopted by any Democrat presidential hopeful.

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