



# AMERICANS *for* TAX REFORM

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FOR IMMEDIATE RELEASE  
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## PUTTING A FACE ON THE LARGEST TAX INCREASE EVER #2

### *Miller Manufacturing: Soak the Rich, Hurt Small Businesses and Workers*

*Every day this week, Americans for Tax Reform will be putting a face on the largest tax increase in the history of the world. This is a tax increase supported by Democrat Barack Obama and all Congressional Democrats, and opposed by Senator John McCain and Americans for Tax Reform. These taxpayers have a face, and ATR will be showcasing them all week long.*

Butch Miller started Miller Manufacturing, Inc. back in the early 1990s. He built it up from a small tool making shop in a rented garage to a 10-employee business. Like many small manufacturers, Miller Manufacturing is a Subchapter-S corporation. That means the business profits pass through to Butch Miller's 1040. In 2011, Miller Manufacturing will make a profit of \$450,000. ***What will its taxes be?***

#### If the Present Tax Code Remains in Place

Miller Manufacturing's profit will flow through to Butch Miller's tax return, where he will pay a federal income tax of \$157,500.

#### Under the 2011 Tax Hike

Because the top marginal income tax rate has been raised from 35% to 39.6%, the Miller Manufacturing tax rate has gone up.

Miller Manufacturing can no longer expense all their equipment purchases the first year. Rather, the company has to spread the deduction for most items over seven years.

**Miller Manufacturing's tax bill will be at least \$178,200—a difference of \$20,700. As a result, Miller Manufacturing has to lay off the most junior employee to make ends meet.**

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