



AMERICANS *for* TAX REFORM

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FOR IMMEDIATE RELEASE
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PUTTING A FACE ON THE LARGEST TAX INCREASE EVER #3

Betty and George Jones: Modest Retirees

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.

Betty and George Jones worked hard all their lives. Betty stayed home to raise the kids, and George worked for the phone company. For all thirty years he was there, he set aside 2% of his salary in an employee stock purchase plan. He now has \$250,000 in utility stock, which throws off \$10,000 in annual dividends. He also sells some of the stock every year to live on, generating annual long-term capital gains of \$5000. The rest of the Jones' \$50,000 in income comes from the utility's pension plan and the taxable portion of their Social Security benefit.

If the Present Tax Code Remains in Place

The Jones' will have a tax liability of \$1500

Under the 2011 Tax Hike

The dividend tax rate for the Jones' has gone from 0% to 15%.

The capital gains tax rate for the Jones' has gone from 0% to 20%.

The standard deduction for the Jones' has fallen because of the re-introduction of the marriage penalty.

The Jones' tax bill has grown to \$5013, an increase of over \$4000. They have to pay the difference from their nest egg.

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