



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

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MAKE THE BUSH TAX CUTS PERMANENT

This week, the House of Representatives will vote to make President Bush's tax cuts permanent. **The Americans for Tax Reform (ATR) strongly urges all members to vote yes on Tax Relief Guarantee Act, similar to HR 2316 sponsored by Reps. Hulshof and Ryan.**

Due to Senate budget rules, the majority of provisions in the historic tax relief bill will end on December 31, 2010. Allowing this sunset provision to take effect will subject Americans to one of the largest tax increases in American history.

In fact, the Congressional Budget Office (CBO) estimates that **without making President Bush's tax cut permanent, taxes paid by hard-working American families and businesses will jump from approximately 19 percent of Gross Domestic Product (GDP) in 2010 to 20.5 percent in 2012.** Clearly, this massive, automatic tax increase will drain needed income from working families' budgets, dry up funding for capital investment, and consequently, devastate long-run economic growth.

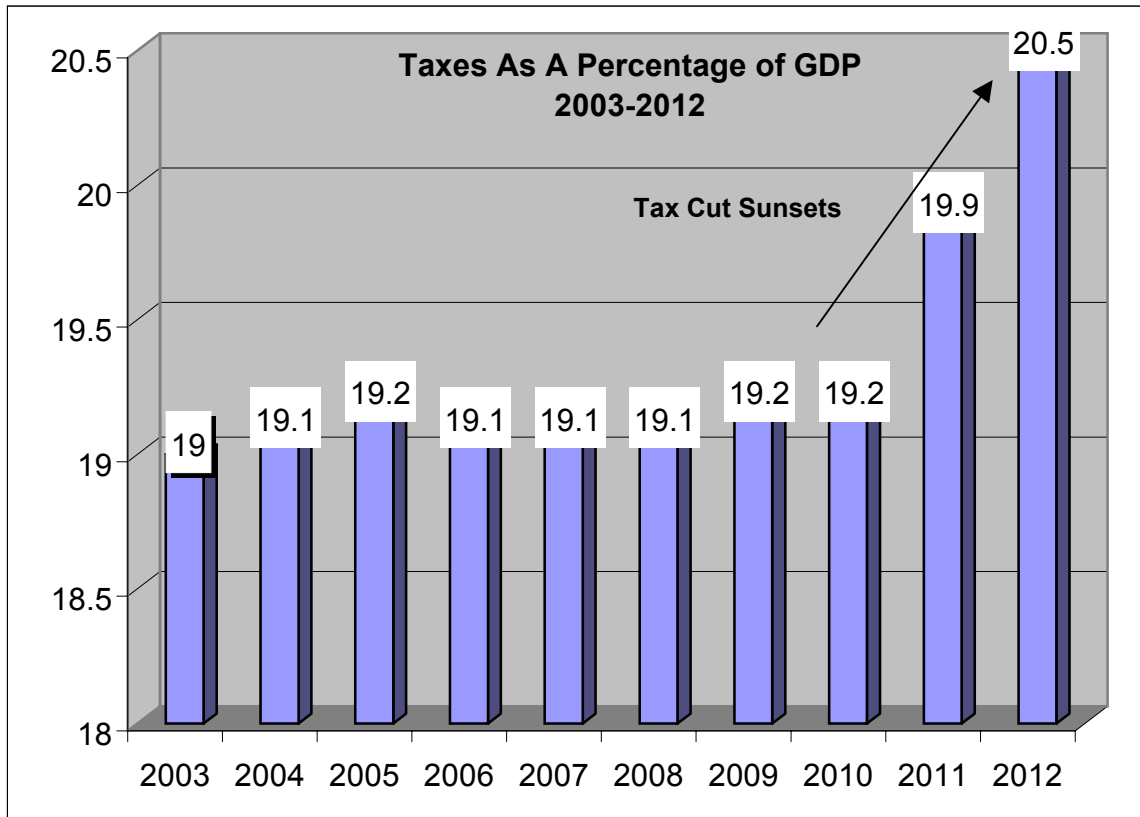
Moreover, taxes will increase by 50 percent for lower-income families, the child-credit will fall by 50 percent, the marriage penalty will be reinstated, education savings will be taxed, retirement savings will shrink, and government will continue to tax people even when they die.

This year, working families and businesses will receive an additional \$69 billion of tax relief, which is being used to bolster consumer spending. New disposable income helped businesses work off excessive inventories, which is bolstering new employment growth. According to the Council on Economic Advisors, **President Bush's tax relief will assist the private sector create 800,000 new jobs than there otherwise would have been by the end of 2002.** Accordingly, tax relief has raised the prospects of a solid recovery in 2002 by boosting economic growth projections by 0.5-percentage point.

The Tax Relief Guarantee Act will allow American taxpayers to feel more confident investing in their child's college education or saving for retirement, all while ensuring increased economic growth. Therefore, it only makes sense to make permanent the ten-year tax relief law that is helping so many people.

The Americans for Tax Reform will include this vote in our annual ratings. Let the taxpayers know where you stand by voting yes for Tax Relief Guarantee Act.

LETTING THE TAX CUTS EXPIRE WILL LEAD TO MASSIVE INCREASE IN TAXES



Source: Congressional Budget Office