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Fast Facts: How the Obama/Pelosi/Reid Budget hurts taxpayers, job creators, and the American family

The Budget is an Assault on Small Employers

- The budget raises the top two income tax brackets from [33 percent and 35 percent to 36 percent and 39.6 percent, respectively](#). These are the tax rates in which \$2 out of every \$3 in small business profit is taxed. That includes 90 percent of the profits from partnerships and Subchapter S corporations, and 40 percent of the profits from sole proprietorships. [This small business tax hike alone is \\$339 billion](#). One out of three American workers is employed by a small business.
- Rather than dying a merciful death in 2010, as is scheduled under current law, the death tax continues indefinitely with a top rate of 45 percent and an exemption of \$3.5 million (\$7 million for married couples). Small businesses and family farms will have to worry about seeing the undertaker and the IRS auditor on the same day.

The Budget Will Hurt Retirement Security and Cost Jobs

- The capital gains tax is hiked from 15 percent to 20 percent. The dividends tax is raised from 15 percent to 20 percent. Capital gains earned by investment partnership managers are taxed [as high as 39.6 percent](#). At a time when stock market wealth has nearly been cut in half, why is Obama proposing a \$142 billion tax hike on the stock market?
- U.S. companies will be forced to pay corporate taxes twice on international profits—once in the country they earn them in, and again here. This \$210 billion tax hike will push jobs and capital out of our borders.

The Budget Spends Too Much Money We Don't Have

- Obama's budget claims that it cuts taxes for families by \$770 billion. Yet, the same document admits that fully \$326 billion—nearly half—is in fact new spending, not tax cuts.
- The Obama budget imposes a “cap and tax” scheme costing [\\$646 billion](#). Every American family will pay this tax in the form of higher [gasoline, heating, and electric bills](#).
- The Obama budget would increase federal spending as a percentage of GDP from 23.6 percent of GDP in 2011 to 24.5 percent in 2019 – [significantly above the past 40 year average of 20.7 percent](#).
- The House and Senate Democrats' budgets call for spending roughly \$3.5 trillion for the year that begins Oct. 1 compared to the President's proposal of spending roughly \$3.6 trillion.