

AMERICANS FOR TaxFairness

March 19, 2013

Dear Representative:

On behalf of the more than 275 national and state organizations that comprise Americans for Tax Fairness, I write to express our strong opposition to the Budget Resolution drafted by Budget Committee Chairman Paul Ryan.

The Ryan budget would reduce tax revenues by \$5.7 trillion over 10 years, according to the non-partisan [Tax Policy Center](#), without specifying how to make up for that lost revenue. It also would cut \$4.6 trillion in spending, eviscerating many services families and communities depend on. The cuts would be on top of \$1.5 trillion that has already occurred; but just \$600 billion has been raised from higher income taxes on the richest 1%, and corporations have not been asked to commit a dime to deficit reduction.

The American people overwhelmingly support requiring the wealthy and big corporations to pay their fair share of taxes. Yet, the Ryan budget goes in the opposite direction by dramatically reducing the system's progressivity and increasing inequality. It would do this by setting only two individual tax rates – the top rate would be reduced from 39.6% to 25% (a cut of more than one-third!), with a lower bracket of 10% for everyone else.

According to the [Tax Policy Center](#), under the Ryan budget households in the “top 0.1 percent of income, who make \$3.3 million or more, would get a whopping tax cut of \$1.2 million on average – a 20 percent increase in their after-tax income. By contrast, middle-income households would get an average tax cut of about \$900. Those in the bottom 20 percent (who make \$22,000 or less) would get \$40 and one-third of them would get no tax cut at all.”

The Ryan budget would also reduce the corporate tax rate from 35% to 25%; yet over the last 60 years the corporate share of federal revenues shrank from 30.5% in 1953 to just 7.9% in 2011, according to the Office of Management and Budget [[Table 2.2](#)]. Scores of companies – such as [General Electric](#), [Verizon](#), [Boeing](#) – that paid no federal income taxes in the last four years would be able to continue their dodges.

There is a better way. The alternative proposed by Budget Committee Ranking Member Chris Van Hollen would raise \$1.2 trillion over the next 10 years by closing corporate tax loopholes and limiting tax breaks for the wealthiest among us. The Congressional Progressive Caucus's “Back-to-Work” budget would raise \$5.7 trillion through common-sense reforms. Most of these proposals are explained in an options paper prepared by [Americans for Tax Fairness](#).

To get our nation back on track, the wealthiest Americans and big corporations need to do their part. The Ryan budget requires no sacrifice of those who have already received the biggest tax breaks. It's time to reverse course and support these alternative budgets.

Sincerely,



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