



TALKING POINTS FOR FISCAL SHOWDOWN ROUND II

As of January 16, 2013

*This is ATF's current thinking about how to message on tax issues. It is **interim** pending deeper message research from a public opinion poll that will be available in late January. We do not recommend wide circulation of these to lawmakers and do not provide them to the media.*

Topline Messages

- **So far, for every \$1 that tax revenues have been increased \$2.50 in spending has been cut from programs that protect our families and create jobs.** Congress should ask the wealthy and large corporations to pay their fair share of taxes instead of considering cuts to Social Security, Medicare and Medicaid benefits, and to other vital programs. By closing loopholes and ending tax breaks for powerful special interests, Congress can raise the revenue we need to reduce the deficit, put people back to work and make the economy strong again.
- **The tax deal recently passed by Congress to avoid the fiscal cliff was only a first step toward making our tax system fairer.** The tax bill left many special-interest loopholes and tax deductions in place that are used by the wealthy and big corporations to avoid paying their fair share of taxes.
- **The middle class is still bearing most of the burden when it comes to reducing the deficit.** The richest Americans are contributing only a little more and big corporations are contributing nothing. Now, in order to preserve tax breaks for millionaires and big corporations Republican leaders in Congress want the middle class and the poor to pay for all additional deficit reduction, by cutting Social Security, Medicare, Medicaid, education and more. That's not a fair or balanced way to address our long-term budget challenges – and it will jeopardize the fragile economic recovery.
- **As Congress considers a new budget deal, we just can't afford to keep giving tax breaks to those who need them the least.** Ensuring that the wealthy and big corporations are paying their fair share of taxes is essential to avoiding damaging cuts to Social Security, Medicare, Medicaid and other vital services that will harm the middle class and those struggling to enter the middle class.

Longer Narrative/Messages

- 1) **The tax deal passed by Congress was only a first step, and there is much more we can do to make the richest 2 percent and big corporations pay their fair share of taxes.**
 - Some very rich Americans will have to pay a little more. But, the tax deal left many loopholes untouched, so many very wealthy people will still pay a lower tax rate than many middle-class Americans.

- 2) The tax deal left in place huge loopholes and special-interest tax breaks used by big corporations to avoid taxes, including loopholes used to ship American jobs overseas.** So big corporations will not contribute a dime in new revenue to help reduce the deficit. It's about time corporations started living by the same set of rules as the rest of us.
- 3) The middle class and low-income Americans are bearing most of the burden when it comes to reducing the deficit.**
- \$1.5 trillion has already been cut from federal programs that help improve our schools, ensure the safety of our food and drinking water, provide services for vulnerable children and seniors and more.
 - The recent tax deal raised about \$600 billion in revenue. This means that for every dollar in new revenue, there have been two-and-a-half dollars in spending cuts. It would take about \$900 billion in additional tax revenue to balance the spending cuts Congress has already made.
- 4) Conservatives in Congress now want the middle class and the poor to pay for all additional deficit reduction, by cutting Social Security benefits, Medicare and Medicaid while refusing to raise one dollar by closing tax loopholes and tax breaks for millionaires and big corporations.**
- They want to make seniors pay more for Medicare, rather than end huge tax subsidies to oil and gas companies making record profits.
 - They prefer to kick kids out of Head Start, rather than ask millionaires to pay the same tax rate as their secretaries.
 - They don't want to invest in rebuilding roads and bridges, so they can keep giving tax breaks to multinational corporations that ship jobs overseas.
- 5) Closing loopholes and ending tax breaks for the richest 2% of Americans and big corporations could raise well over \$1 trillion. Here's how:**
- Rein in tax breaks and cap deductions that benefit the richest 2 percent, as President Obama has proposed. This would make the tax system fairer and simpler. (\$400-\$500 billion)
 - End tax breaks that allow multinational corporations to ship U.S. jobs and profits overseas to foreign tax havens like the Cayman Islands. (\$150-\$575 billion)
 - End the Mitt Romney tax loophole that allows billionaire hedge fund managers to pay a lower tax rate than many middle-class Americans. (\$20 billion)
 - Set a tiny financial transaction tax on Wall Street trades – 3 pennies on each \$100 – to raise revenue while curbing dangerous financial gambling (\$350 billion).
- 6) We just can't afford to keep giving tax breaks to those who need them the least.** To get our nation back on track wealthy Americans and big corporations need to do their part by paying their fair share of taxes. We need to end this rigged tax system so that everyone lives by the same set of rules.