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WV Senators Praised for Voting to Support Tax Cuts for 98% of Americans

Citizen Action Lauds both Manchin and Rockefeller's Votes

Taking First Step to Restore Fairness to Tax System

Charleston – July 25, 2012 WV Citizen Action praised both WV's Senators for taking an important first step to restoring fairness in our tax system by voting today for the Middle Class Tax Cut Act (S. 3412). The bill extends the Bush-era tax cuts for the 98 % of state residents who make less than \$250,000 in household income, but would end them on incomes above that level.

The Senate voted 51 to 49 to pass the bill with both Senator Rockefeller and Manchin supporting the Act.

"Senator Rockefeller is right: it's time we stop giving large tax cuts to those, like himself, who need them least at the expense of both middle-and low-income citizens who are struggling to get by and really need a tax break," said Gary Zuckett, Exec. Dir. of WV Citizen Action Group, a member of the <u>Americans for Tax Fairness</u> grassroots campaign. "Senator Manchin's vote also shows he wants to ensure that every American pays their fair share."

Ending the Bush tax cuts on household income above \$250,000 would save the government <u>nearly \$1 trillion</u>, according to Congress' Joint Committee on Taxation, compared to extending all of the cuts over the next decade. Wealthy people earning more than \$1 million a year get an average tax break of \$143,000 from the Bush tax cuts, but middle-class people making about \$50,000 a year get an average tax break of only \$1,000, according to the <u>Urban-Brookings Tax Policy Center</u>.

"Americans applaud financial success. But when the rich get tax breaks they don't need and the country can't afford, the middle class has to make up the difference – and that's not right," said Zuckett" The Senate's passage of the Middle Class Tax Act proves that it's time the tax code was fair to everyone who works hard and plays by the rules."

If Congress ends the Bush tax cuts above the \$250,000 income level, households making between \$250,000 and \$300,000 a year still would retain an average of 98 percent of their current Bush tax cuts, but the income tax breaks for households making \$1 million to \$2 million would be reduced by 87 percent, according to Citizens for Tax Justice. According to a Treasury Department report, fewer than 3 percent of small business owners make over \$250,000 a year, so allowing the Bush tax cuts to expire for upper-income households would have a minimal, if any, impact on these job creators.