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## Report Shows Impact to West Virginians of Ending Bush Tax Cuts for Richest 2%

### *Wealthy Few Would Still Reap Significant Tax Breaks*

(Charleston, WV – July 31, 2012) If the U.S. House of Representatives passes the [Republican plan](#) this week to extend the Bush-era tax cuts for households making over \$250,000, the wealthiest 1.7 percent of West Virginians in that income group could get a disproportionate 29 percent of the total tax breaks in their state. They're average tax cut would be about \$25,000.

In contrast, if Congress passed the Senate's plan (supported by both WV Senators) to extend the Bush tax cuts on the first \$250,000 in household income, the average tax cut for West Virginians who make over than that amount would be about \$13,000, nearly half what they would get under the GOP plan. And the 33 percent of West Virginians earning income up to \$25,000 would get larger average tax cuts under the Senate's plan than under the House Republican plan.

Those are among the key findings of a new report released today by West Virginia Citizen Action "[Time to Pay Their Fair Share: West Virginians Can't Afford to Extend the Bush-era Tax Cuts for the Wealthy Few.](#)" The report is authored by [Americans for Tax Fairness](#), [Citizens for Tax Justice](#) and the [National Women's Law Center](#).

The report is timely because this week [the U.S. House of Representatives will vote](#) on the Republican plan to extend all the Bush tax cuts, including for the richest 2 percent of U.S. households, while ending improvements in tax credits for low-end and moderate-income families. The Democrats will offer an alternative plan similar to President Obama's, which the U.S. Senate passed last week with the support of both Senator Manchin and Rockefeller by a 51 to 48 vote.

"Giving lavish tax breaks for those who need them the least is exactly the kind of special-interest giveaways Washington needs to stop," said Gary Zuckett, Executive Director of WV Citizen Action, a member of the Americans for Tax Fairness campaign. "We urge the House to end the Bush-era tax cuts to the richest 2 percent."

#### Major findings of the report include:

- 98 out of 100 West Virginians would get about the same tax cut under the Obama plan as they have up until now.
- 1.7 percent of West Virginia taxpayers have an average income of about \$601,000.
- The other 98.3 percent of the state's taxpayers average income is \$50,000.

- The average tax cut for those making between \$50,000 and \$100,000 would be roughly the same under both the Obama and GOP plans: about \$1,620.
- West Virginians making less than \$25,000 a year would get an average tax cut from the Obama plan roughly 50 percent larger than from the Republican plan: \$270 from Obama, compared to \$180 from the GOP, because the GOP plan would end improvements in the Earned Income Tax Credit and Child Tax Credit for lower-income working families while the Obama plan would extend them.

**The additional tax cuts for the wealthiest two percent in the Republican plan will cost approximately \$68 billion next year alone.** That's equal to what the federal government spends to repair highways, improve education and provide school breakfasts for low-income children, ensure clean drinking water, and deliver meals at home to frail seniors. **The report breaks down what West Virginia's share of these funds means for its residents:**

- Highway Planning and Construction: West Virginia will receive \$396.2 million in federal funds in FY 2012 to help it plan, build, and repair highways and bridges and support other transportation improvements. These investments in infrastructure help all West Virginians travel more safely and efficiently and promote economic growth and job creation.
- Title 1 funding to support K-12 education: West Virginia will receive \$88.2 million in federal funds in FY 2012 for grants to local school districts serving disadvantaged children. In the 2009-2010 school year, 370 West Virginia schools serving more than 106,000 children were eligible for this funding.
- Head Start and Early Head Start preschool programs: West Virginia will receive \$58.4 million in federal funds in FY 2012 for Head Start, which helps preschool-age children in low-income families build the skills they need to succeed in school. Head Start and Early Head Start preschool programs served 7,610 children in low-income West Virginia families in 2009.
- School Breakfast Program: West Virginia will receive \$22.4 million in federal funds in FY 2012 for the school breakfast program, which provides free or reduced price breakfasts to children from low- and moderate-income families. A nutritious breakfast improves children's health and helps them start the day ready to learn. In 2011, the program served an average of 95,800 West Virginia children each day.
- Make Drinking Water Safer: West Virginia will receive \$31.4 million in federal funds in FY 2012 to construct water treatment facilities and ensure clean drinking water.
- Provide Meals to Homebound Seniors: West Virginia will receive \$1.5 million in federal funds in FY 2012 to provide home-delivered meals to frail seniors. About 9,646 West Virginians received meals through this program in 2010.

**"We can't afford to keep giving big tax cuts to the richest 2%," said Zuckett, "We shouldn't balance the budget on the backs of children, seniors, and families struggling to make ends meet, and we can't keep borrowing from China. Those who have done well in America should do well by America and pay their fair share."**

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