



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

Rangel Tax Hike Fact of the Day #4

Every day this week, Americans for Tax Reform will release a new fact about Charlie Rangel's trillion-dollar tax hike. Today's fact is:

“The Rangel Tax Hike Would Secretly Raise the Capital Gains Tax Rate to 24.6%”

The Rangel tax hike bill is chock full of tax increases. Most of them are out there for the world to see. Some of them require more scrutiny.

One of these secret tax increases will wreck the stock market and destroy your pension. Under the Rangel tax hike, the capital gains rate would rise from 15% today to 24.6% in 2011. Rangel assumes that the rate will rise by 4.6 points immediately and another 5 points in 2011.

Why does Rangel want to nearly double the capital gains tax? Certainly not to help the economy. Since Republicans cut the capital gains tax from 28% in 1997, shareholder wealth has grown by nearly 50%. Those gains would be reversed if higher capital gains taxes reduce the incentive to save and invest for retirement and other goals.

Since the 1970s, every capital gains tax hike has lost revenue, and every capital gains tax cut has increased revenue. If Rangel wants to wreck the economy and drive down federal tax revenues, mission accomplished.

If you would like to schedule an interview with ATR President Grover Norquist or ATR Tax Policy Director Ryan Ellis to discuss the AMT, please contact John Kartch at 202-785-0266, or by email at jkartch@atr.org.

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