



# NEWS

AMERICANS FOR TAX REFORM

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## Four Myths about the Bush Tax Relief Plan

WASHINGTON-As Congress moves closer to voting on final passage of President Bush's tax relief and budget package, Americans for Tax Reform (ATR) has debunked four common myths that have circulated over the course of the legislative debate.

**MYTH #1: *Bringing the top tax bracket down to a sensible 33% would be a windfall for the "rich."***

**THE FACT:** According to the Treasury Department, since many small businesses are not organized as corporations and therefore file individual tax returns, 63 percent of those benefiting from a 33% maximum rate would be small business owners. **Grover Norquist, President of Americans for Tax Reform remarked, "the only windfall this tax cut offers is a windfall for job-creating entrepreneurs and those seeking employment."**

**MYTH #2: *The American People are not overly taxed.***

**THE FACT:** Media mogul David Geffen recently remarked, "speaking for myself, I don't need a tax cut or tax relief." However, a majority of voters believe that the current 39.6% tax rate is unfair. Fifty-two percent (52%) of registered voters agreed in a recent Fox News/Opinion Dynamics poll that the highest tax rate anybody should have to pay was no more than 20 percent in federal, state and local taxes combined. **"If anything the American people think that capping the federal government's take at 33% would be a good start,"** Norquist added.

**MYTH #3: *The Death Tax favors the rich.***

**THE FACT:** Thanks in large part to the Death Tax, over 70% of family businesses do not survive the second generation and 87% fail to make it to the third generation. This results in a loss of jobs. **"The Death Tax amounts to double taxation—once when people are alive and again when they die. For this reason, the deservedly despised Death Tax must be given a death penalty of its own and it will under President Bush's plan,"** Norquist added.

**MYTH #4: *The tax cut costs too much money***

**THE FACT:** Those who study economic history know that when taxes are cut, Government revenue increases. It happened in the Coolidge, Kennedy and Reagan administrations when government revenue increased by 61%, 33% and 54% respectively. **"Liberals should not fear this tax relief package. In previous Presidential administrations when taxes were cut, there was a 49% increase in government revenue. It happened then and it will happen again if the Bush tax relief is passed,"** Norquist concluded.

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview with ATR President Grover Norquist please contact David W. Kralik at (202) 785-0266 or by email at [dkralik@atr.org](mailto:dkralik@atr.org).

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