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The State of the American Taxpayer

WASHINGTON, D.C.— President Barack Obama will deliver his first message to Congress tonight. One thing you might not hear a lot about is the “State of the American Taxpayer.” Consider the following:

- Total taxes—federal, state, and local—cost every single American \$13,000 per year. That’s money that’s not available for retirement, college savings, or opening a small business
- If taxes were raised to pay for the trillion dollar spending and debt bill Pelosi-Reid-Obama just passed, they would have to go up by over \$3000 for every man, woman, and child in America. How’s that for “stimulus?”
- The federal tax rate on most small business profits is now 37.9 percent. Obama has said he wants this rate to go up to at least 42.5 percent in 2011. If his plan to raise the Social Security payroll tax rate goes through, this rate could reach a Jimmy Carter-level of 54.9 percent. Seven out of every ten dollars in small business profits in America pay this “small business tax rate”
- The federal tax rate on capital gains is scheduled to rise in 2011 from 15 percent to 20 percent. On dividends, the rate will rise from 15 percent to 39.6 percent. At a time when Americans’ nest eggs have dwindled, now is not the time to raise taxes on savings
- The death tax is currently 45 percent. Next year, it’s scheduled to die a peaceful death and go away completely. Under current law, the death tax of 55 percent on all estates worth \$1 million or more is scheduled to snap back into place in 2011. Is now the time to make Americans visit the undertaker and the IRS on the same day?

“President Obama’s speech tonight will be about one thing and one thing only—higher taxes,” said ATR President Grover Norquist. “Pelosi-Obama-Reid will deny up and down that they are raising your taxes, but they will. They won’t cut spending, and they won’t tolerate big deficits. The only thing left to do is go after taxpayers.”

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org.

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