



UNITED STATES
DEPARTMENT OF
THE TREASURY



WITHOUT PERMANENT TAX RELIEF, MILLIONS OF AMERICANS WILL SEE THEIR TAXES GO UP BY BILLIONS OF DOLLARS IN 2011

A Family of Four with Two Children...

- \$50k annual income today (\$56,300 in 2011) = \$2,092 increase (from \$1,583 to \$3,675 tax bill) = 132% higher tax bill; or
- \$60k annual income today (\$67,600 in 2011) = \$1,858 increase (from \$3,207 with to \$5,065) = 58% higher tax bill.

Tax Increases On Average...

- 115 million taxpayers – \$1,716 increase;
- 84 million women – \$1,970 increase;
- 48 million married couples – \$2,726 increase;
- 42 million families with children – \$2,084 increase;
- 12 million single women with children – \$1,062 increase;
- 17 million seniors – \$2,034 increase; and
- 26 million small business owners – \$3,637 increase.

More than 5 million low-income individuals and couples will no longer be exempt from individual income tax.

Tax Relief Brings Billions of Dollars to Americans...

- \$880 billion provided through 2005;
- \$1.1 trillion by the end of 2006;
- \$2.4 trillion over the next ten years (with permanent tax relief); and
- \$3.5 trillion total through 2016 (if permanently extended).

Assumes that the following provisions in the President's tax relief signed into law from 2001-2005 would be allowed, as scheduled, to expire at the end of 2010:

- Creation of the new 10 percent individual income tax bracket.
- Reduction in individual income tax rates above 15 percent rate bracket.
- Reduction of marriage penalties in the standard deduction, 15 percent rate bracket, and the earned income tax credit.
- Lowering the tax rate on capital gains and dividend income to 15 percent (0 percent for the lowest two rate brackets).
- Increase in the child tax credit to \$1,000.
- Expansion of the partially refundable additional child tax credit.
- Increase in the child and dependent care tax credit.
- Simplification of the rules for determining income for the earned income tax credit.