

DEMOCRATS FIGHT FOR MIDDLE-CLASS FAMILIES

Bill Protects Families from AMT, Provides Additional Middle-Class Tax Cuts

This week, the House will consider H.R. 3996, legislation that will protect 23 million American families from the dreaded Alternative Minimum Tax (AMT). But this legislation does more than just prevent the AMT from hitting unsuspecting families next year: It also expands critical tax breaks for middle-class Americans, as well as extends provisions important to the economy.

DEMOCRATS ARE KEEPING TAXES LOW FOR...



...MIDDLE-CLASS FAMILIES

- **Child Tax Credit:** 12.5 million children will benefit from an expansion of the Child Tax Credit, which increases eligibility for 2008
- **Property Tax Deduction:** 30 million families will benefit from a Property Tax Reduction
- **College Tuition Deduction:** More than 4.5 million families will receive help with the rising cost of education by allowing families to deduct up to \$4000 in higher-education expenses
- **Sales Tax Deduction:** More than 11 million families who live in states without an income tax will benefit from being able to deduct local and state sales taxes



...SMALL BUSINESSES

- **Research & Development Tax Credit:** Small businesses will receive a business tax credit for some research and development expenses
- **Deduction for Computer Donations:** Businesses will receive a deduction for giving back to their community by donating computer equipment to local schools
- **New Markets Tax Credit:** Businesses will receive a tax credit for investing in local community development



...PUBLIC SERVANTS

- **Deduction for Teacher's Expenses:** More than 3 million teachers would be able to deduct out-of-pocket expenses for their classrooms, such as books and other school supplies
- **Tax Exemption for Combat Pay:** Thousands of American troops in combat will receive tax relief under the Earned Income Tax Credit

REAL MIDDLE-CLASS FAMILIES BENEFIT

This legislation will provide tax relief for millions of middle-class families. A few examples of how much an average American family will save in taxes under Democrats' legislation:

<u>Taxable Year</u>	<u>Family</u>	<u>Income</u>	<u>Savings</u>
2008	Married couple, two kids	\$60,000	\$217
2008	Married couple, two kids (one in college)	\$70,000	\$442
2007	Married couple, three kids	\$70,000	\$938
2007	Married couple, two kids	\$80,000	\$1,527
2007	Married couple, four kids	\$100,000	\$4,127

Prepared by the Office of Majority Leader Steny Hoyer, 11/6/07