



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 who earn:

- **\$50,000 annual income** today (\$53,400 in 2011) would see a **\$2,155 INCREASE** (from \$1,128 to \$3,283) or a **191 percent higher tax bill**;
- **\$60,000 annual income** today (\$64,100 in 2011) would see a **\$1,901 INCREASE** (from \$2,733 to \$4,634) or a **70 percent higher tax bill**.

Tax Increases on Average...

- 116 million taxpayers--\$1,833 increase
- 84 million women--\$2,121 increase
- 48 million married couples--\$3,007 increase
- 43 million families with children--\$2,323 increase
- 12 million single women with dependents--\$1,091 increase
- 18 million seniors--\$2,181 increase
- 27 million small business owners--\$4,066 increase

Tax Relief Brings Trillions of Dollars to Americans...

- \$1.3 trillion provided through 2007;
- \$1.5 trillion by the end of 2008;
- \$2.8 trillion over the next ten years (with permanent tax relief); and
- \$4.3 trillion total through 2018 (if permanently extended).

More than 6 Million Taxpayers Will Become Subject to the Individual Income Tax

- This analysis assumes that the following provisions in EGTRRA, JGTRRA, WFTRA, and TIPRA 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 the 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).
 - An increase in the child tax credit to \$1,000.
 - Allowing the child tax credit to offset the AMT.
 - An expansion of the partially refundable additional child tax credit.
 - An increase in the child and dependent care tax credit.
 - Simplification of the rules for determining income for the earned income tax credit.
- In the examples, the taxpayers are assumed to have itemized deductions equal to 18 percent of income, and taxpayers use the larger of itemized deductions or the standard deduction.