

THE COMMITTEE ON THE BUDGET

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THE DEMOCRATS' FISCAL YEAR 2008 BUDGET CONFERENCE REPORT HIGHER TAXES

- ***The Democrats Budget for the Second Largest Tax Increase in History.*** Though Democrats try to claim otherwise, their conference report *budgets for* the second largest tax increase in American history – it's right there in the numbers – and also includes a plan to “trigger” the Nation's largest tax hike.
- ***Tax Hikes Are Spread Across the Board.*** Over the next 5 years, the Democratic budget will raise taxes by at least \$217 billion. These tax hikes – *reflected in the budget numbers* – includes the following:
 - Increased marginal rates for single middle-income Americans making \$31,000, and married couples making \$62,000 – discouraging them from working and earning more.
 - An increase in taxes paid on capital gains and dividends, harming savings for seniors.
 - An elimination of the State and local sales tax deduction.
- ***The Conference Report ‘Triggers’ Even More Tax Hikes.*** The Democrat budget includes a trigger that automatically turns the tax increase into the largest in American history – if the Democrats spend too much and surpluses do not materialize in 2012. Based on this likely scenario, taxes will be increased by a total of \$392.5 billion and the budget will:
 - Cut the child tax credit in half.
 - Reimpose the marriage penalty on American families.
 - Eliminate the new 10-percent bracket for low-income individuals.
 - Reimpose the death tax.
- ***The Budget Doesn't Budget for Refundable Credits.*** Under either scenario, the Democratic budget fails to pay for the refundable portion of the child tax credit and marriage penalty relief. As a result, their budget will eliminate assistance to low-income Americans who can afford it least.