



CONGRESS OF THE UNITED STATES

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**Withheld Tax Data Reveal Facts about Tax Fairness Issue  
-- Tax Shares Unchanged Even According to Treasury Data --**

WASHINGTON, D.C. -- **Joint Economic Committee (JEC) Chairman Jim Saxton (R-NJ)** today released a reconstruction of Treasury data on the tax bills showing that the share of taxes paid by each income level would be essentially unchanged before and after tax reduction was taken into account. Using a mathematical technique, the JEC was able to reconstruct the original Treasury Department data from which its analysis of tax changes was derived. Saxton had earlier unsuccessfully sought a public release of Treasury data on current tax payments to provide needed context to the debate over the effects of the tax bill.

"I'm disappointed that the Treasury Department was so selective in its release of data and was not more open," Saxton said. "Despite the appearance created by dribbling out a small slice of data to support one point of view, the bottom line is that the tax shares of the various income groups would be virtually unchanged before and after passage of the pending tax bills. The failure to supply such basic information on such an important issue runs the risk of misleading the public and the media," Saxton concluded.

The results of the JEC analysis are all the more remarkable because the Treasury methodology is open to challenge on several fronts. **It inflates income levels of taxpayers relative to commonly used income concepts, ignores certain tax payments on capital gains, includes households with no income tax or payroll tax liability, among other problems.** Even so, the Treasury data show that the tax bill would cut tax payments at all income levels, and that the shares of total tax payments would be unchanged. The tax data are presented by income class and income quintile.

For example, according to the data, the tax share of the households earning below \$15,000 of income, and the share of the bottom quintile, would both be 1 percent before and after the tax reduction. The share of taxes paid by those earning more than \$100,000 would be 59 percent before and after the tax cut. The share of taxes paid by the middle fifth of households would be unchanged at 11 percent, and the share of the top fifth of taxpayers would be unchanged at 63 percent. Evidently, the Treasury chose not to release this information to the public, which is contained in the graphs that follow.

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