

# JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

## PRESS RELEASE

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### FEDERAL INCOME TAX BURDEN SHIFTED UPWARDS UNDER NEW TAX BILL

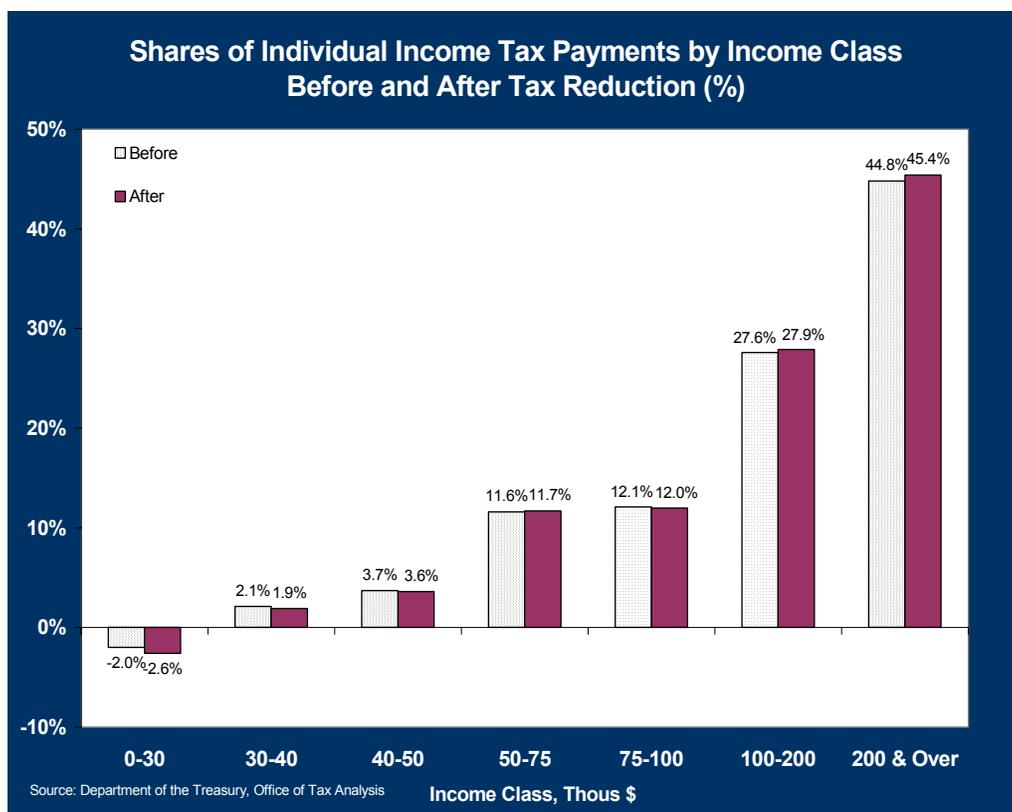
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**WASHINGTON, D.C.** – The new tax bill provides the largest percentage reductions in the income taxes of low and middle income groups, and as a result, the share of total income taxes paid by upper income groups under the new tax law will increase, Vice Chairman Jim Saxton said today. Saxton based his remarks on new figures on federal individual income taxes provided by the Treasury Department.

“The Treasury figures show that all income groups will receive tax benefits under the new tax law, but that low and middle income households receive the largest reductions as a percent of their tax liability,” Saxton said. “Consequently, after the tax reduction, the shares of the income tax paid by low and middle income taxpayers will decline, or be essentially unchanged, while those of upper income taxpayers will actually increase a bit.

“For example, taxpayers with incomes between \$30,000 and \$40,000 will have their income taxes reduced by 19.3 percent under the new tax bill. As a result, their share of the total income taxes paid will go from 2.1 percent under previous law to 1.9 percent under the tax relief bill. On the other hand, taxpayers with incomes over \$200,000 will have their income taxes pared by 10.8 percent, and their share of the income tax burden will rise slightly from 44.8 percent to 45.4 percent.

“These figures also reflect the progression in tax payments under the new tax law. Taxpayers with incomes in excess of \$75,000 will account for 85.3 percent of the income taxes paid. As I have pointed out before, taxpayers in the top half of income earners account for at least 96 percent of the income tax burden, a figure that will probably increase under the new tax relief law,” Saxton concluded.



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