



CONGRESS OF THE UNITED STATES
JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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**TAX INCREASE ARGUMENT
IS FAULTY**

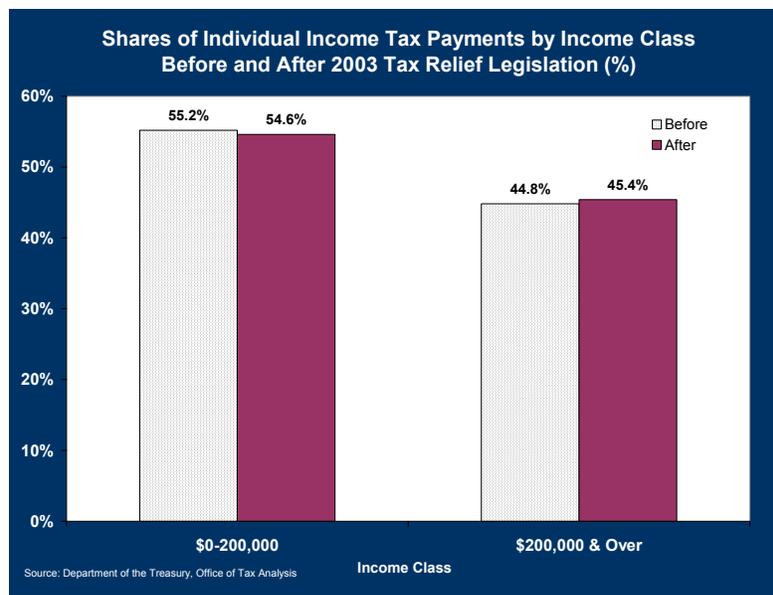
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WASHINGTON, D.C. – Tax increase advocates who assert the recent tax relief legislation should be reversed because it shifts the tax burden from upper to middle income households are mistaken, Vice Chairman Jim Saxton said today. Saxton pointed out that the income tax system is highly progressive, and that the share of income taxes paid by **upper income taxpayers actually increased** somewhat under the 2003 tax relief bill.

“Recent talk of tax increases by opponents of the Bush Administration is based on mistaken assumptions about the impact of recent tax policy,” Saxton said. “Under the 2003 tax relief legislation, the largest percentage reductions in income taxes were provided to low and middle income persons. Consequently, **the share of income taxes paid by taxpayers earning over \$200,000 in income increased** under the 2003 tax legislation.

“Raising taxes just as the economy is beginning to grow at a healthy rate would be a terrible mistake. Furthermore, as documented many years ago in a Joint Economic Committee study, increasing the top tax rates would hit mainly small business owners. In addition, once tax relief comes under attack, no taxpayers will be safe from those anxious to increase taxes and spending.

“As I pointed out several weeks ago, the latest IRS data show that the top half of taxpayers ranked by income pay 96 percent of the federal income tax, while the lower half provide about 4 percent. To be in the top half, you only have to earn over \$28,528, an amount which hardly qualifies one as rich,” Saxton concluded.



For more information on tax statistics, please visit our website at www.house.gov/jec.

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