

# EXTENDING MIDDLE-CLASS TAX CUTS IT'S THE RIGHT THING TO DO

The President has called on Congress to act now to extend middle-class tax cuts and to not hold our economy and the middle class hostage over additional tax cuts for families making over \$250,000 a year.

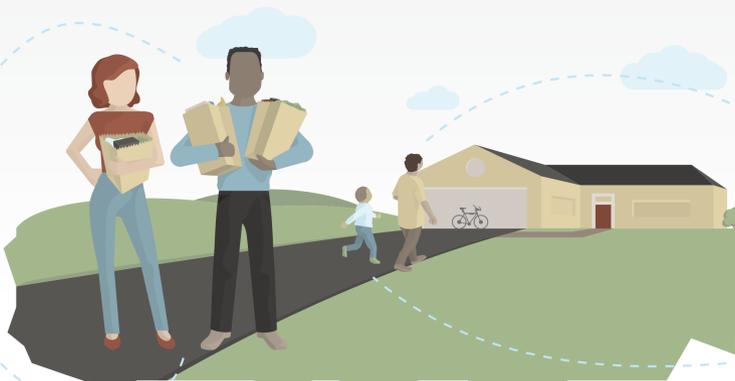
## PRESIDENT OBAMA'S PROPOSAL TO EXTEND MIDDLE-CLASS TAX CUTS



### CONTINUING TAX CUTS FOR 98 PERCENT OF AMERICAN FAMILIES

President Obama's plan will make sure the 98 percent of American families with incomes of less than \$250,000 continue to fully benefit from the income tax cuts that are set to expire at the end of 2012.

**LOWER TAX RATES ON THE FIRST \$250,000 OF INCOME**  
AFFECTING 114 MILLION MIDDLE-CLASS FAMILIES



**AMERICAN OPPORTUNITY TAX CREDIT**  
Families will continue getting help to pay for college  
AFFECTING 11 MILLION FAMILIES

**MARRIAGE**  
Couples will not be penalized with higher taxes because they file jointly  
AFFECTING 38 MILLION COUPLES

**DOUBLED CHILD TAX CREDIT**  
Families will continue receiving a Child Tax Credit worth \$1,000 per child  
AFFECTING 35 MILLION FAMILIES WITH CHILDREN



**Under the Republicans' tax proposal**, 25 million families that make less than \$250,000 would see their taxes go up by an average of \$1,000, while families making more than \$1 million would get tax cuts worth an average \$160,000.

**ELIMINATES**  
American Opportunity Tax Credit that helps families pay for college

**REDUCES**  
The Child Tax Credit available to low- and moderate-income working parents

**ELIMINATES**  
The Earned Income Tax Credit increase for larger families and would reduce the credit for many married couples



### CONTINUING TAX CUTS FOR 97 PERCENT OF SMALL BUSINESSES

President Obama's plan would continue tax benefits that benefit 97 percent of small business owners. He's also proposed two new tax credits to help businesses hire and grow.

CONTINUE

**EVERYONE, INCLUDING THOSE WITH INCOMES OVER \$250,000, WILL ALSO BENEFIT FROM**

- Lower tax rates on the first \$250,000 of income
- Marriage penalty relief
- Tax deductions for up to \$250,000 of new investment

NEW

**IMMEDIATE WRITE-OFFS FOR NEW INVESTMENT**  
Lets firms continue to claim immediate tax write-offs for new investment through 2012, putting an additional \$50 billion in the hands of businesses in 2012 and 2013

NEW

**A 10 PERCENT INCOME TAX CREDIT FOR FIRMS THAT HIRE MORE WORKERS OR INCREASE WAGES**  
The credit is capped, which helps target its benefits to smaller businesses



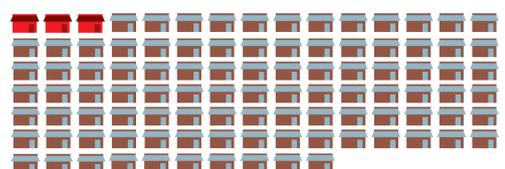
The 3 percent of 'small business owners' who would not get continued tax cuts on their income above \$250,000 include high-income professionals and individuals who receive income from businesses that have no employees.

18 TAX CUTS

Since taking office, the President has signed into law 18 tax cuts that help small businesses grow, hire, and invest

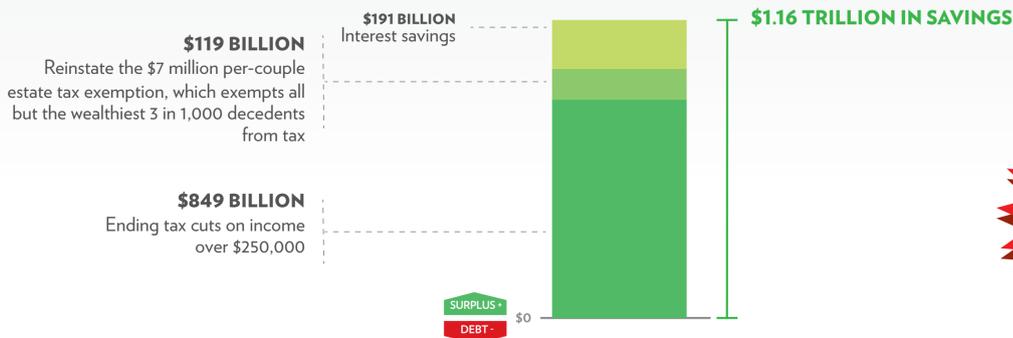
EXAMPLES

- Wealthy individuals whose "small business" is renting out their vacation home or other property
- Law firm partners, hedge fund managers and other highly compensated professionals who organize their businesses as partnerships.



### REDUCING THE FEDERAL DEFICIT

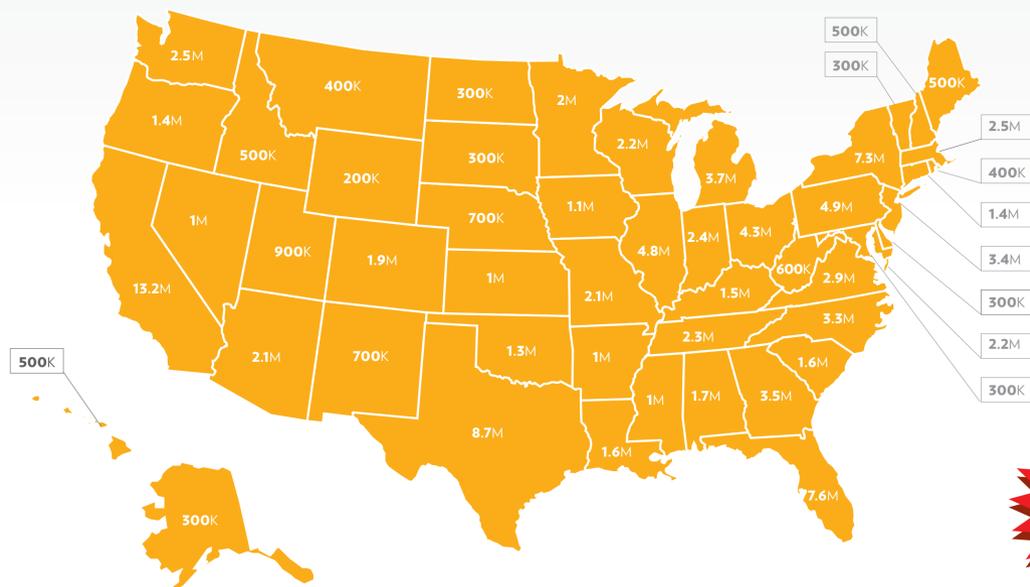
The President's proposal will save almost \$1.16 trillion over the next decade.



Making the high-income tax cuts permanent would add almost \$1.16 trillion to deficits over the next 10 years.

### NUMBER OF AMERICAN FAMILIES FACING A TAX INCREASE IF CONGRESS FAILS TO ACT

On January 1, 2013, taxes are scheduled to go up for 114 million middle class families by an average of \$1,600.



The average tax increase would be \$1,600



#MIDDLECLASSTAXCUTS

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