

Washington, D.C. (August 1, 2012) – Today, Rep. Jan Schakowsky released the following statement after House passage of HR 8

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“Once again, House Republicans are holding the middle class tax cuts hostage in order to demand that we give an additional trillion dollars in tax cuts to the wealthy. Last week, the Senate passed a common-sense middle class tax cut bill that the President would immediately sign into law, preventing 98% of Americans and 97% of small businesses from seeing their taxes increase on January 1. Even the richest 2% would still have received a tax cut on the first \$250,000 in income, if the House could have done its part in supporting the Democratic proposal passed by the Senate.

Instead, Republicans would allow the expiration of three tax credits benefiting 25 million working Americans, including military families. For example, a military sergeant with a spouse and three young children at home would see a tax increase of \$1,118. Yet, the Republican plan would give an average tax cut of \$160,000 to households with income over \$1 million.□ Under their proposal, households with income over \$1 million would get a tax cut worth more than three times the median household income in the U.S while, incredibly, taxes on middle-class and low-income Americans would be raised by an average of \$1,000.□

Republicans claim that they want to protect the tax breaks for income over \$250,000 because they support small businesses. However, the Democratic proposal protects the tax breaks for 97% of small business owners – just three percent of small business owners have income over \$250,000. Very few mom and pop corner stores or your local auto-repair shop owner bring home more than \$250,000 in income. It is clear that Republicans are truly focused on protecting hundreds of thousands or millions of dollars in tax breaks for their political allies that bring home billions in income but file their taxes as small businesses.

The Democratic proposal is reasonable. It would raise the top tax rates on income over \$250,000 back to the rates it was during the thriving economy we had under President Clinton's administration. Under the Democratic proposal, top rates of 36 and 39.6 percent are lower than the top rate during President Reagan's first term.

It's time for House Republicans to put the middle class ahead of millionaires and ask the wealthiest Americans to pay their fair share."

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